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## Chapter 2

### Life Cycle of an ERP Implementation Project

#### LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

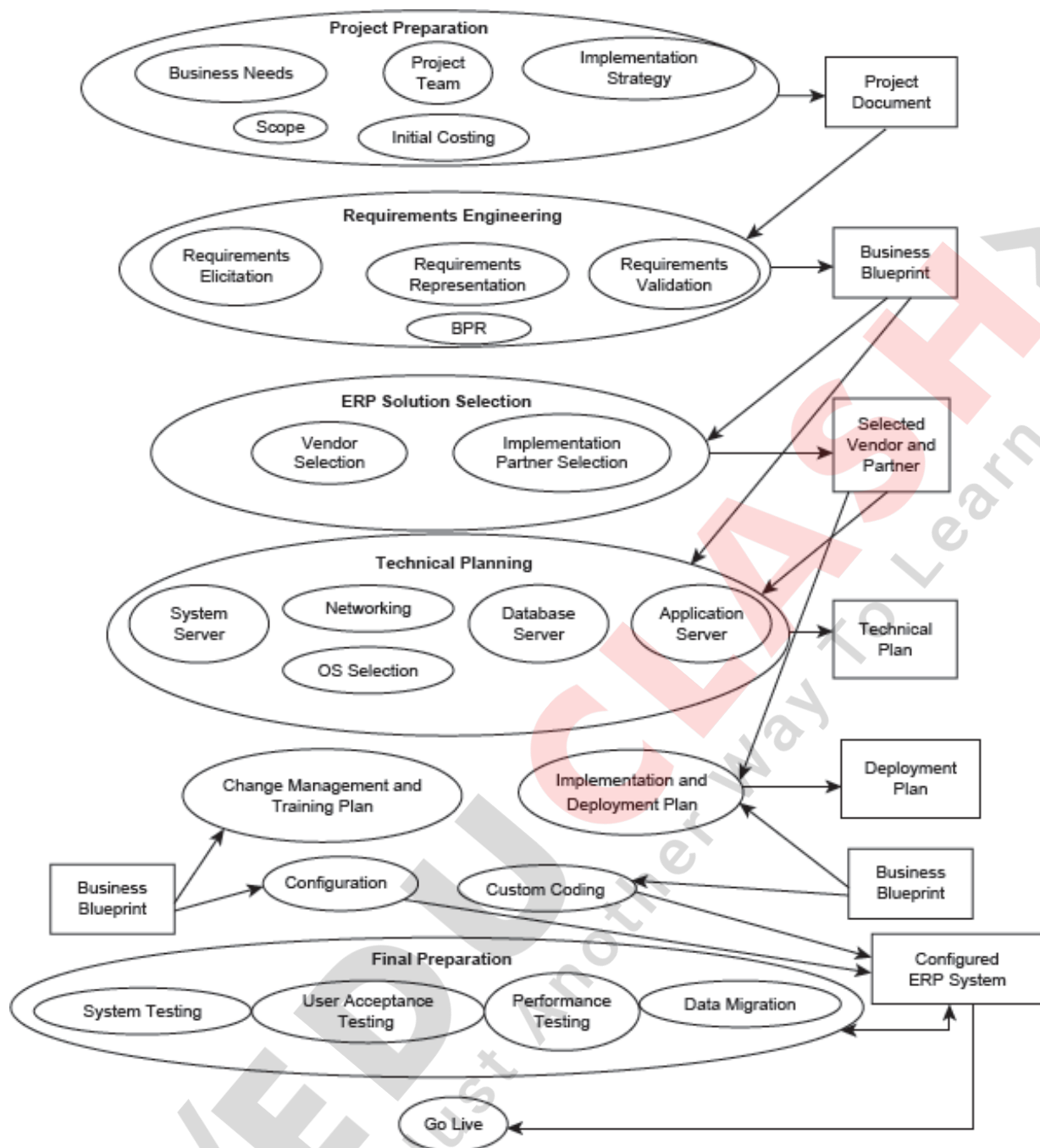
- Life cycle of an ERP project and its phases
- Teams for an ERP project, their constitution and roles
- Interaction among various teams
- Time taken for an ERP implementation
- Life span of an ERP system

#### 2.1 INTRODUCTION

In the last chapter, we learnt what ERP systems are, their characteristics and scope. ERP systems are semi-finished products that need to be configured at the site of the host company. The host company has to find the right ERP system among the options available in the market, based on their requirements. Identifying requirements is also a planned and budgeted activity. In this chapter, we will learn about various phases of an ERP deployment project. The entire project may take anywhere from six months to three years. There are various teams that are formed to take care of different aspect of the project. We will also learn about teams that are formed and their constitutions. The vendor who supplies the ERP software also gets involved either directly or through an implementation partner. Sometimes, the host company may also engage a consultant to guide them through the project. All teams work together to complete the project. The interaction among various teams is also part of learning from this chapter. A sense of implementation time, return on investment and life span should also get developed after reading this chapter.

#### 2.2 LIFE CYCLE OF AN ERP PROJECT

An ERP implementation project encompasses the following stages (shown in [Figure 2.1](#)) that constitute its life cycle:



**FIGURE 2.1** Stages in an ERP Implementation Project

1. **Project preparation:** This phase includes initial planning and preparation for an ERP project. It is also referred to as vision and planning phase. The tasks accomplished in this phase include the following:
  - Evaluate company's business needs by studying its business strategy and processes. Questions such as—do we need an ERP system? are we ready for ERP system? is installation of ERP system aligned with our business strategy? are asked and answered. These issues are discussed in detail in [chapters 4](#) and .
  - Specify scope of the project in terms of the functional units that will be supported by an ERP system and business sites that will be covered.
  - Form steering committee and project team. The team composition and their

activities are discussed in [Section 2.3](#).

- The two main approaches for deciding implementation strategy are big bang and phased approach. In phased approach, an ERP system is implemented in phases. Phases may be organized as follows:
  - *Functionality to be implemented in each phase.* For instance, an organization may decide to include sales and accounting in phase one, then include purchase in the second phase, and human resource module in the third phase. If the company is geographically distributed, all sites are likely to be covered in each phase to maintain uniformity.
  - *Sites/units to be covered in each phase.* The company may decide the functionality to implement, and implement all of it at one site in one go and then move on to the second one.

In big bang approach, the complete ERP system is implemented in one go on all the sites/units of the organization. The complete ERP system refers to the functions that the organization has decided to implement and not to all functions that ERP system offers. Both approaches have their own benefits and risks.

The distinction between the approaches is shown in [Table 2.1](#). In big bang approach, it is either all or nothing situation. If the project fails then there is nothing at the end of the project. A company that is IT savvy, undertaking large projects that impact the processes, organizational culture and structure and brought them to a successful end, may go for a big bang approach. But otherwise, a phased approach may be preferred. In phased approach, communication among various units may become difficult and people may feel that ERP project has been going on forever. There may be a risk of adding more requirements in the next phase or widening the scope. At the same time, a phased approach gives an opportunity to learn and become better with each phase. Since each phase is relatively small, the risk involved is less than in a big bang approach. The management has to carefully choose the most appropriate approach for an ERP project.

- **Initial costing.** An estimate of the cost is done right in the beginning to assess feasibility of the project. The initial assessment may be based on a similar project done elsewhere. A project may be termed similar if it was done in the same industry, with similar number of expected users, sites and functionality. The overall cost of an ERP project is between 1 to 3 per cent of the turnover of the host company which is a major expenditure. The management would need to know the expected cost to budget for the project.

**TABLE 2.1** Distinction Between Big Bang and Phased Approach

Big Bang Approach	
	ERP is implemented at all sites and all selected modules are implemented in one go

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**Phased Approach**

- All selected modules are implemented, but at selected sites
- Some of the selected modules are implemented at all sites
- Some of the selected modules are implemented at some of the sites

During this phase, risk analysis may also be done. Risk mitigation and management are discussed in [Chapter 9](#). At the end of this phase, a project document is created that serves as a reference document for future phases. The decision regarding the business needs, project scope, implementation strategy and expected cost are all documented. The high-level team that is formed during this phase is also mentioned in the document. These teams take the project further. The document created in this phase may be of 20 to 30 pages. This document serves as a reference document throughout the project. Once the project document is ready, the next phase of the project commences.

2. **Requirements engineering.** During requirements engineering (RE) phase, needs and objectives of various stakeholders are identified and documented. RE phase is divided into three sub-phases:
  - *Requirements elicitation:* Requirements are gathered from various stakeholders.
  - *Requirements representation:* Requirements are represented through a model.
  - *Requirements validation:* Correctness of gathered requirements are verified by end users and stakeholders.

Outputs of this phase are documents containing requirements in the form of models (e.g., process, data, organization, etc.). These documents are also referred to as business blueprints. Various modelling techniques that are used for documenting ERP requirements are discussed in [Chapter 6](#). Since all business processes are documented during this phase, it is an opportunity to improve or even radically change the existing business processes. This activity is known as Business Process Reengineering (BPR). BPR and related issues are discussed in [Chapter 7](#).

3. **ERP solution selection:** Based on the requirements, an appropriate ERP system has to be selected. The selection process is discussed in [Chapter 8](#). The selection process is followed by negotiation and contract with the software vendor and implementation partner. Most of the ERP vendors do not implement their ERP system themselves and outsource this activity to their certified implementation partners. Negotiations have to be done with ERP vendor as well as implementation partner.
4. **Technical planning:** System requirements including hardware and software are identified at this time. Hardware requirements such as technology including application servers, database server and networking should be gathered, based on the scope of ERP and performance requirements. Operating system has to be decided to run the ERP system where choices are Linux, Solaris and MS Windows. Most of the ERP systems would also require a database such as Oracle, DB2, MySQL and SQL server. Networking is a must, as most of the ERP systems are now based on client/server architecture that facilitates access across Intranet and

Internet. Data security is another area that requires attention. System availability of 24 (hours) × 7 (days a week) is always required for which additional technical planning may be required in terms of backup systems. The data backup at regular intervals may also be required.

One can also consider Software as a Service Option (SAAS) where instead of hosting the ERP system and database oneself, it is outsourced to an external agency. Cloud computing is another option now becoming available where the cloud computing service providers would provide the service but the servers may be distributed and shared. If the host company is not IT savvy and does not want to create the entire setup that would include acquiring hardware, database server and hiring manpower to maintain the system, SAAS may be an option. There are many companies who are now providing ERP as SAAS using cloud computing. The decision to opt for SAAS has to be taken considering privacy issues, cost effectiveness, credibility of the agency, speed of the network and so on.

Looking at the capability of the mobile phones that now have an operating system, many applications can be run on them successfully. Depending on the environment and working style of the host company, it may be desirable to have a mobile phone interface for the users of the ERP system. Touch screen interface is another option that you may like to explore.

Disaster management planning should also be done upfront. Some companies would have a parallel server in a different seismic zone as a part of their disaster management plan. The technical team will have to work out these details.

The ERP project may be done using one setup where the implementation is done first, followed by testing and deployment. If an organization has more resources, two setups can facilitate parallel activities. Implementation and testing can be done on one setup which can then be deployed on another setup. It is a luxury to have three setups—one for implementation, one for testing and one for deployment. The decision to setup one, two or three systems would be taken by the management depending on the resources available and timeframe of the project. Business continuity is another factor that needs to be considered. If ERP system crashes or malfunctions, the business should not come to a halt.

5. **Change management and training plan:** An important aspect in ERP system implementation is training of the end users. The employees who are end users of the ERP system may face difficulty in using the system and may offer some resistance. It is important to plan communication and training for the users to make the transition easy. A change management strategy should be worked out to mitigate the risk involved in implementing an ERP system that touches the culture of the organization impacting everyone. Change management is discussed in detail in [Chapter 4](#).
6. **Implementation and deployment planning:** During the negotiation and contract signing, a clear ERP implementation plan should be worked out as well. A sample plan is shown in [Figure 2.6](#). The plan should include the tasks that the team can comprehend and responsibilities should be clearly assigned. The start and end date is also part of the plan. Such a plan goes directly into the project management software. This is a high-level plan that does not include the deployment date of each



module. Once the requirements have been finalized and the modules to be deployed have been identified, a detailed plan is worked out. An implementation may take anywhere from six months to four years. The largest percentage of companies takes between 13 to 18 months to complete the project (Table 2.2).

7. **Configuration:** ERP systems are generic, and functionality they provide serves a large variety of enterprises. Configuration is a process whereby individual components are assembled and adjusted to construct a working solution according to the requirements identified in the requirements engineering phase. Output of RE phase is the input to configuration phase. Components of an ERP software are the following:
- Relational database system that consists of large number of tables.
  - Functions that manipulate these tables.

**TABLE 2.2** Implementation Time and Percentage of ERP Implementation That have Taken Specified Time

Implementation Time in Months	Percentage of Companies That Completed ERP in the Time Given in Left Column
<6	13.0
7–12	24.7
13–18	36.9
19–24	11.6
25–36	8.0
37–48	4.4
>48	1.4

Components are assembled by selecting tables and their attributes, and setting up relationships among them. We also configure relevant selected functions. An ERP project will always have a configuration phase. A relational database system associated with an ERP system may consist of thousands (30,000 in case of SAP) of tables (relations) and a large number of functions that operate on these tables. These components are assembled by selecting tables and their attributes and setting up relationships among them. These settings may impact the system at different levels. The settings that impact the entire system are system level configuration settings. The object level settings affect entities or objects. Finally, the occurrence level settings affect a single instance of a process or an object.

An organization may make to order or may produce by lot size. The system level settings will permit one or both of these manufacturing styles and this setting will impact procurement. Such a setting is a system level setting. Some items may belong to make to order manufacturing process while another set of items may be produced

by lot size. These settings impact every instance of the items produced and the processes related to the items. Such settings are object level settings. At the lowest level, setting such as bulk discount on an item is an occurrence level setting.

The organization may like to migrate legacy data to the ERP system for continuity. The legacy data may require cleansing, filtering and transformation before it can be loaded into the ERP system. The data migration and related activities should also be planned at this time.

8. **Custom coding:** Sometimes the chosen ERP system may not support a business process. There may be gaps between the business requirements and the functionality of the chosen ERP system. To close the gap, the client may do one of the following:
- Alter its business processes so that the chosen ERP supports them. This strategy is well accepted and referred to as reengineering driven by ERP system. This is discussed in Chapter 7.
  - The organization strongly believes in efficiency and competitive advantages of its business process. In such a situation, the client may request the vendor to enhance the system's functionality. Such a request invariably would require the vendor to add or modify the code of the system. This activity is known as customization or custom coding.

It is a good idea to avoid customization as far as possible because the code that is written on the request of the client does not come with any warranty and support. Customization is expensive and risky because the vendor will work under time pressure and may not be able to do a thorough testing. The added code does not become part of the ERP system that vendor sells and supports. Consequently, the future releases will have to be customized too. Customization adds risk, time and cost to the implementation, upgrades and maintenance.

An ERP implementation that uses no custom coding is referred to as *vanilla* implementation. Vanilla implementation has the following characteristics:

- A company for whom the competitive advantage comes from the products that it sells, rather than from the information system it uses, may go for vanilla implementation. For a service industry, the differentiation may come from the information system of the organization and vanilla implementation may not suffice.
- The vendor generally takes care of the governing laws and the transactions are accepted by audit department. Customization may disturb the conformance to the governing laws.
- A client with no or little inhouse IT capability may choose to go for vanilla implementation to keep it less complex.
- When the vendor customizes their software for a client, it becomes a unique system for which the vendor is not able to provide same level of support as for the original product.
- Newer versions are released by the vendor. Upgradation of a customized system is more challenging.

- In any case if the system is customized, it should be used at all sites.

Otherwise, the systems may not be able to communicate.

9. **Final preparation:** In this phase, the activities of consolidating nature are performed.

The system has to be tested for accuracy, completeness and performance. Some adjustments may be required in the configuration of the ERP system if any discrepancy is discovered. Sometimes, when system is loaded, the performance (number of transactions performed per unit time) may not meet the requirements. Some changes in the hardware configuration may be required.

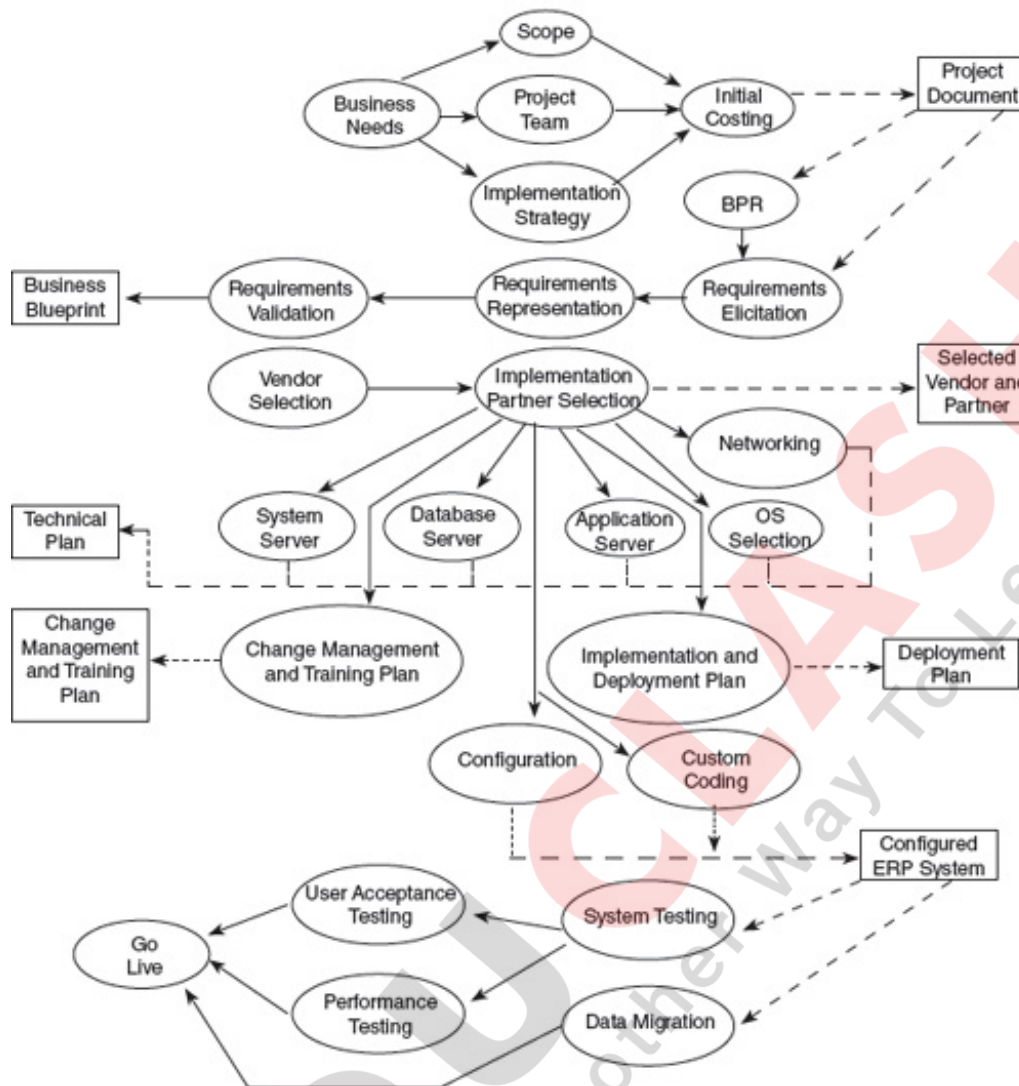
10. **Go-live:** ERP system is commissioned and is put in actual use. A helpdesk is also setup to ensure 24 × 7 availability. Some monitoring of key business processes may also be required till a reasonable level of confidence builds in the system.

The phases of ERP system are not sequential. Figure 2.2 shows activities and their sequencing in an ERP project. Many activities are done in parallel. For example, all activities related to technical planning—all server, relational database management system, operating system and networking related activities can progress in parallel. Figure 2.3 shows the sequencing as a spreadsheet. These details are used to create plans with the help of a project management tool by the project planning and monitoring teams. The project management will be discussed in detail in Chapter 9.

**Maintenance:** Support the system on an ongoing basis. This also involves upgrading to a new version every few years. ERP software is updated to incorporate new laws, to take care of changing business needs, to take advantage of new technology or to stay synchronized with the vendor.

As soon as the idea of implementing an ERP system surfaces in the organization, a team is formed for project preparation. Assuming that the organization decides to go ahead with the ERP project, many other teams would be formed. In the next section, we discuss various teams that are formed, their constitutions and roles.

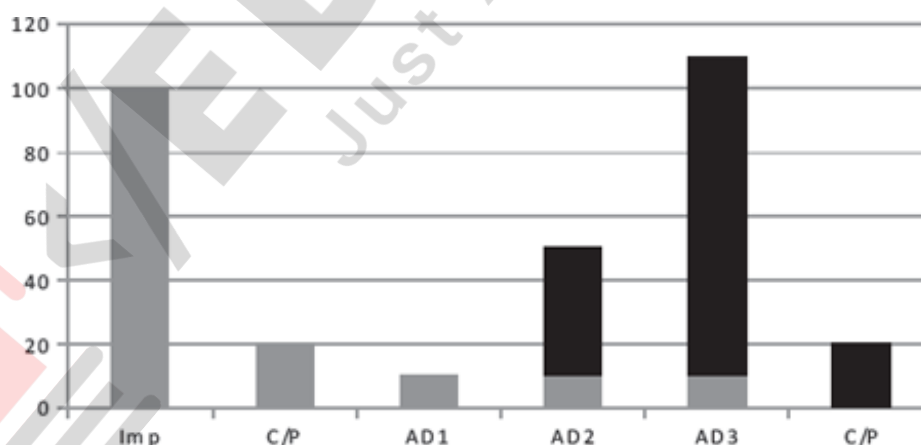




**FIGURE 2.2** Sequencing of Activities Involved in an ERP Project

Phase	Activites	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Project preparation	Business Needs	■											
	Project Team		■										
	Implementation Strategy		■										
	Scope		■										
	Initial Costing			■									
	BPR												
Engineering	Requirements Elicitation			■									
	Requirements Representation				■								
	Requirements Validation					■							
Slect Vendor and Implementation Partner							■						
	Vendor Slection							■					
	Implementation Partner Slection								■				
Technical Planning													
	Sever									■			
	Database Server									■			
	Application Server									■			
	OS Selection									■			
	Networking									■			
Change Management and Training Plan													
	Training Plan								■				
	Change Management				■								
Implementation and Deployment Plan										■			
	Configuration									■			
Custom Coding										■			
System Testing											■		
User Acceptance Testing												■	
Data Migration											■		
Performance Testing											■	■	
Go-Live													■

**FIGURE 2.3** Phases of an ERP Project, Activities of Each Phase and Their Sequencing



**FIGURE 2.4** x Axis Shows the Effort and y axis shows the activity for 6 years; implementation (Imp) of an ERP system is done in year 1, corrective and perfective maintaine (C/P) is done in year 2 followed by adaptive maintenance (AD) in year 3 and 4. In year 3, new systems are explored and in year 5, new system is implemented. The cycle starts all over again.

The vendor often releases new versions, and the clients have no choice but update their ERP system. The vendor may release a new version for one of the following reasons:

1. Fix bugs or residual errors—corrective maintenance
2. Improve the system—perfective maintenance
3. Enhance the system—adaptive maintenance

Corrective and perfective maintenance may be incorporated using a patch requiring no major effort. But adaptive maintenance may result in a new version or release of the system. A maintenance step may be triggered due to data problems or error in the configuration. [Figure 2.4](#) shows effort involved in maintaining the system for five years. Year 1 is when the system is implemented and the effort is used as a reference for the next seven years. Year 2 will require corrective and perfective maintenance and may be as high as 10–20 per cent of the implementation effort. Subsequent years will require little effort in maintaining the system. Assuming that the system has a life span of four years; at the end of third year an effort to explore new systems will start, and implementation of the new system will take place in the fourth year. Every time there is a change in the system, some training may be required for the end users.

## 2.3 TEAMS

ERP implementation team is carefully put together with the high-level management involvement. The management identifies team leaders who are committed towards the project. The team leaders then add operational managers to their teams considering their skill set. The following teams are formed for ERP implementation:

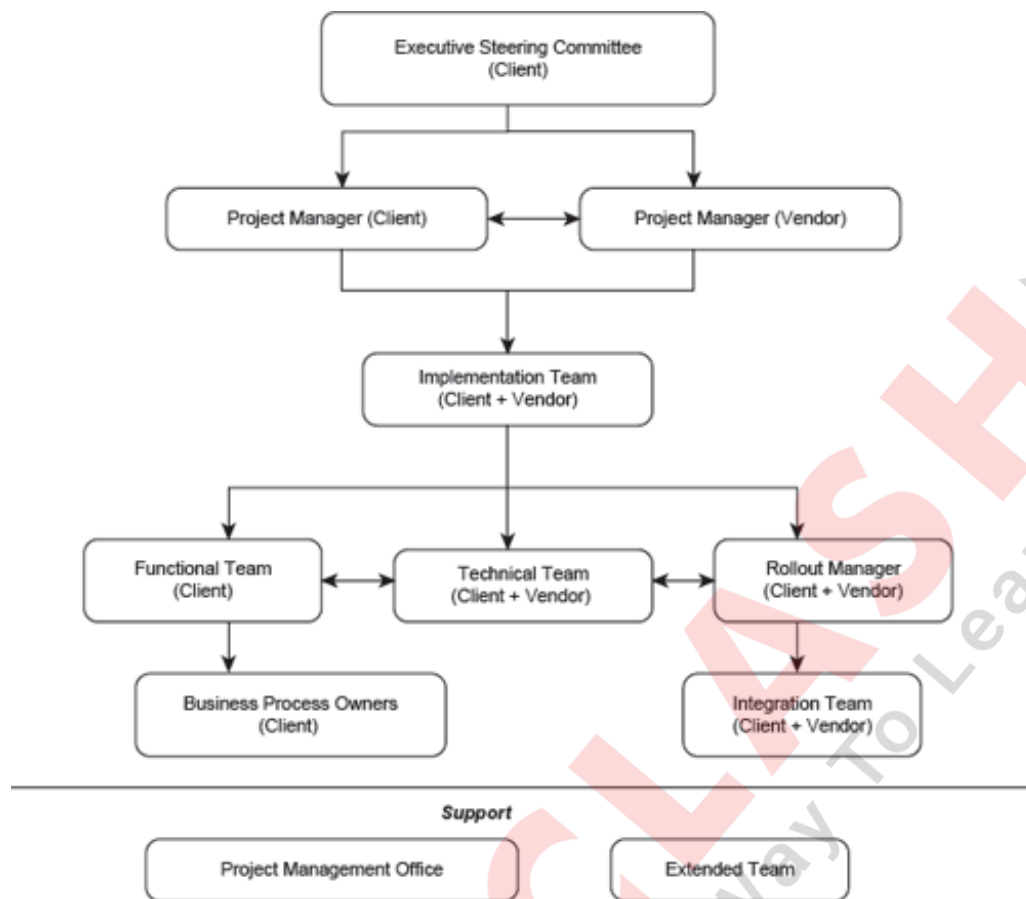
- Executive steering team
- Project manager
- Selection team
- Business process owners
- Implementation team
- Integration management team
- Change management team
- Rollout manager
- Functional team
- Extended team
- Project management office
- Technical team

Let us look at the constitution and responsibility of each of the team. [Figure 2.5](#) shows interactions among various teams.

- **Executive steering team:** The team consists of CEO of the organization and two strategic level managers of which one will be designated as the primary sponsor of the project. The level of involvement of the executive steering team is the heaviest at the beginning of the project. The team needs to provide a clear direction about the project. Their job is also to make sure that the project has support of the shareholders and board members. It is already known that an ERP project costs anywhere from 1–3 per cent of the turnover and impacts organizational structure, culture as well as procedures. The committee may meet once in a month to check the progress of the project. The primary sponsor of the project continues to be involved on a weekly basis throughout the project. Their job is to be proactive and resolve

issues quickly to avoid schedule slippage and cost overrun. They perform both substantive and symbolic roles to ensure that the implementation receives the necessary support and attention to succeed.

- **Project manager:** A full time project manager needs to be identified to lead the program from its onset till it goes live. There is another project manager from the implementation partner's side. Project managers (PM) must understand business and technology both. One can hire a technologist from outside the organization but not an expert for the business. PM may have to help business process owners to make decisions regarding changes in the business processes whenever there is a gap. The PM should have exposure in implementing large projects as ERP implementation is a large project involving staff from every department, vendor organization, external consultancy agency and implementation partner. There are (non-technical) public issues which are required to be addressed at PM level. Technical, non-technical, operational staff and managers at all levels get touched by the ERP implementation. Capacity to resolve issues and adapt according to the situation's demand with an accommodating attitude are essential attributes of a PM. A person liked by most of the people with appropriate skillset would make a better PM than an extremely skilled person who is difficult to get along.
- **Selection team:** Constitution of the selection team and their job is discussed in Chapter 8. Just to summarize, the team is responsible for working out the requirements of the organization, evaluate various ERP systems available in the market and determine the overall fit between the ERP system and the requirements. The team selects ERP system and implementation partner.
- **Business process owners (BPO):** The owner of business process(es) knows the business process(es) that they owns well and approves all changes to these processes. BPOs are generally the functional heads. They are involved in creating business blueprint during the requirement engineering phase. They work closely with the implementation partner and take the responsibility for mapping and changing business processes to fit with the overall ERP system. Process owners need to be available as advisers and leaders in a timely fashion as key decision makers and direction provider during the implementation.



**FIGURE 2.5** Teams for an ERP Implementation Project and Their Interactions

- Implementation team:** The project manager works with an implementation team to do the detailed process design, system configuration and testing. The team constitutes people from IT department, business functional units, implementation partner and external consultants. The implementation team for a large organization could be as large as 100 people. Most of the ERP systems are modular and the implementation team is divided into groups to take care of individual modules. Each module team would have five to seven people and a module leader reporting to project manager. A group of users outside the implementation team would also test the system in parallel. These users are referred to super users.
- Integration management team:** As mentioned earlier, ERP systems are mostly modular. Each module is configured and then integrated with each other. A team is constituted to perform integration of modules and test the integrated system. Their job is to test transactions from end to end. The system is also ported to actual hardware and software platform and the performance is tested. The test could proceed with light load and then with heavy load to achieve the desired level of performance. This team largely consists of IT people from client and implementation partner.
- Change management team:** A change management team consisting of middle level managers is formed at the beginning of the project. The responsibility of this team is to assess the organization's readiness to handle the changes that will be brought about by ERP system. Based on the findings, the team would draft a change management strategy. The strategy would include training and handholding of the end users, providing support during go-live and addressing individual issues. Communication, expectation setting and follow up are also part of the change



management strategy. Large ERP projects would have a dedicated communication team whose job is to ensure sufficient and timely communication.

- **Rollout manager:** Rollout manager prepares a rollout strategy and time line for go-live. Their main job is to work with integration team and data migration team to release the system for use. Rollout manager is required after the implementation begins. Client as well as implementation partner work together with rollout management team.
- **Functional team:** This team consists of people who understand business processes well. This team works with BPOs during requirements engineering phase and later on move to configuration team. After the go-live, this team forms the user support group.
- **Extended team:** This team is a pool of people who can be assigned jobs that are short and bursty in nature. This team may also be assigned unanticipated and unplanned jobs. For instance, an individual may need extra training due to his skill set or job profile. Extended teams can handle these jobs.
- **Project management office (PMO):** The program management office team provides administrative support to the project team. Individuals providing support from the PMO typically are reassigned to another project as the project is closed out.
- **Technical team:** Dedicated and knowledgeable technical resources are required for the duration of the project. Depending on the size of the organization, number of sites and scope of the project, a strong technical team is required. Team members would come from client, vendor and possibly from an external agency.

## CONCLUSION

Life cycle of an ERP system consists of the following phases:

- Project preparation
- Requirements engineering and ERP solution selection
- Technical planning
- Change management and training plan
- Deployment planning
- Configuration
- Custom coding
- Final preparation
- Go-live

There are multiple teams involved in an ERP system implementation. There are teams for each phase and there is also a steering committee that is a high-level team to manage the project apart from a project manager. The constitution of all teams and their roles are defined. These teams interact and work together. Broadly, teams include members who have functional and technical knowledge.

To walk through the life cycle of an ERP implementation, read the case on ERP implementation at BPCL.<sup>5</sup> The case examines in detail the ERP implementation at BPCL. It focuses on the IT infrastructure put in place and BPCL's IT initiatives before the ERP implementation. One can buy this case for a nominal charge.

## CASE STUDY

We will continue with RetailS that we discussed in the last chapter. We will form teams and

work out the time line as well.

The company has two sister organizations—one in Delhi and other in Dubai. This is their first major IT project and the company has no inhouse IT capability. Their only server is managed by an outside agency. RetailS wanted to move in a phased manner. They wanted to implement only sales and purchase modules of the ERP system. RetailS is happy with a proprietary software that they use for their financial accounting and did not want to include financial accounting in the ERP system. The modules to implement are just about 1.5 out of 14 using SAP as a reference.

- **Project document:** A project document is created in the beginning of the project that contains business requirements, scope, schedule and initial costing for the project. The document that was created for RetailS ran into couple of pages. The essential details are presented here as an example in [Figure 2.6](#).
- **Time line:** We expected the entire project to take about six months, and the initial schedule shown in [Figure 2.6](#).
- The project plan is shown in [Figure 2.7](#). This plan is very elaborate and lists the activities on almost daily basis. Notice that some of the activities proceed in parallel. This document is signed by all the parties involved and used as a reference throughout the project. Progress of the project is measured against this plan.
- **Teams:** The ERP teams are shown in [Table 2.3](#).

**TABLE 2.3** Teams for ERP Projects of RetailS

People	Teams
CMD, RetailS	Champion and business process owner
Consultant	Interface between the implementation partner and RetailS
CMD, RetailS and Consultant	Selection team
Consultant	Project manager
Implementation partner and Consultant	Implementation team (no one from RetailS would be on the team)
External IT agency and consultant	Technical team

Since it is a small organization, there is no need to create other teams.

## Project Document for ERP System for RetailS

**Date:** 09-04-2010

**Author:** Ms. V. Agarwal

**Approved by:** CMD, RetailS

**Objective:** The objective of the project is to deploy an ERP system covering sales and procurement process. ERP system will give an accurate and timely picture of all the sales and purchase orders. We will not include HR or financials in the ERP as of now.

**Schedule of events:** The following is the required schedule of events for this project. The schedule may change depending on the results of the responses and a final schedule will be established prior to contracting with the successful vendor.

S. No.	Events	Duration (Days)
1.	Informal requirements	10
2.	Meeting with potential vendors	10
3.	Award contract	1
4.	Requirements gathering and documentation	30
5.	Customization by the vendor of his product	60
6.	Testing, exploring and bug fixing (if any)	30
7.	Master data preparation entry	30
8.	Training	15
9.	Go-live preparation and go-live	6

**Initial costing:** The data collected from various sources indicates that an ERP implementation costs around one per cent of the turnover of the company. For RetailS, this figure turns out to be ₹ 50,000,00 because their turnover is ₹ 50 crore. RetailS plans to implement only sales and purchase modules. This is about one-tenth of the functionality an ERP system provides. We expect to spend around ₹ 5,000,00.

This price includes the furnishing of ERP solution, its implementation, data migration, maintenance, training, its source code, manuals, tools and the provision of all labor and services necessary or proper for the completion of the work.

**RetailS involvement:** RetailS has designated Ms. V. Agarwal as the PM. The team from RetailS consists of CMD and Ms. V. Agarwal. The PM will be the single-point contact for the project. RetailS will participate in requirements gathering, system testing, acceptance and user training.

**Functional requirements:** ERP must support all activities related to sales and procurement except the accounting part. These requirements are to be elaborated in the requirements gathering phase.

**Figure 2.6** A Sample Project Plan

<b>Product: KN Retail</b> <b>Project: RetailS, Delhi</b> <b>Customer Project Coordinator: Ms V Agarwal</b> <b>Contact number: +91 11 2509 2509</b> <b>KN Project Coordinator: Mr Amit, Consultant to RetailS</b> <b>Contact number: +91 11 0008 0088</b> <b>Tentative Project Completion Date: 07 October 2010</b>					
S.No.	Activity	Days	Who	Scheduled Start Date	Expected Date of Completion
	Project Kick Off Meeting	1	Joint	11 May 2010	11 May 2010
	40% Payment on commencement of Project		Retails		
<b>Process Study and Product Demo</b>					
1	Business Process Study	6	Joint	12 May 2010	18 May 2010
2	Sample Data Sheet Collection	6	Retails	13 May 2010	19 May 2010
3	Data Modelling as Per Study	9	KN	19 May 2010	28 May 2010
4	Product Demonstration to Retails	2	KN	31 May 2010	01 June 2010
5	Submission of SRS & Gap Document	1	KN	31 May 2010	31 May 2010
6	Business Process Study & Gap sign-off	11	Retails	02 June 2010	14 June 2010
<b>Environment Set Up</b>					
7	Customization of KN Product as per Gap Identified	29	KN	16 June 2010	19 July 2010
8	Product Installation at Retails	8	KN	20 July 2010	28 July 2010
9	Configuration	14	KN	29 July 2010	13 August 2010
10	Verification of Customized Solution by Retails	14	Joint	16 August 2010	31 August 2010
<b>Master Data Preparation and Review</b>					
10	Master Data Creation Workshop	7	KN	20 July 2010	27 July 2010
11	Master Data Collection	7	Joint	28 July 2010	04 August 2010
12	Verification of data before uploading to system.	4	Retails	05 August 2010	09 August 2010
13	Uploading / feeding of Masters in KN	7	KN	31 August 2010	07 September 2010
14	Verification of Masters after uploading in ERP	9	KN	08 September 2010	17 September 2010
15	Correction if any to be done	11	Joint	18 September 2010	30 September 2010
16	<b>Master Data Sign-off</b>	1	Retails	30 September 2010	30 September 2010
<b>User Training</b>					
17	User Training	16	Joint	01 September 2010	18 September 2010
18	<b>Training Sign-off</b>	1	Joint	09 September 2010	09 September 2010
<b>Go Live Preparation</b>					
19	Go Live Preparation	4	Joint	01 October 2010	06 October 2010
20	Go live sign-off	1	Joint	07 October 2010	07 October 2010
21	<b>Formal Implementation Completion Sign-off</b>	1	Retails	7 October 2010	07 October 2010

**FIGURE 2.7** A Sample ERP Project Implementation Plan

## EXERCISES

### Test Your Understanding

1. Project planning in the life cycle of an ERP system is an important phase. Justify this statement.
2. Explain life cycle of an ERP system. What are the major activities and sub-activities performed in each phase?
3. Each phase has an entry and exit condition. Can you identify these conditions for all the phases?

4. What are the major teams that are formed for an ERP project? What is the constitution and role of these teams?
5. Why do we need business process owners to be part of the ERP implementation team? What is their role?
6. Why is it important to decide a priori interaction and reporting structure for the teams? What problems do you perceive if there are no such rules?

### Apply Your Understanding

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1. In the last chapter, you had chosen an organization to work with. Constitute teams for the ERP project. Do you perceive any problems in constituting teams? You may face multiple problems. Some of them are:
  1. The management may not be cooperative.
  2. There is a possibility that the organization does not have enough staff to free for ERP project.
  3. People you select may not be interested.
  4. People you left out of the ERP project teams may be unhappy.How would you handle these problems? Can you think of some other problems? List all of them and offer solution.
2. Assuming that your organization is implementing an ERP system, would you suggest a big bang approach to your organization? Justify your answer. You can cross check your recommendation if your organization has already implemented an ERP system.
3. What will be the constitution of the technical team in your organization?