Plotting Your Path to Smarter ERP in the Cloud

A step-by-step guide to acquiring the perfect solution for you, and your business.
Embarking on Your Journey to the Future of ERP

Acquiring new enterprise resource planning (ERP) tools and technology is not a decision that’s made overnight. Chances are, things have been working up to this for months, or even years. So now that you’ve finally arrived at the decision to acquire a solution, it’s worth taking the time to consider your options fully.

In this evaluation guide, we’ll take you through your journey to the digital future of ERP, with practical tips, advice, and an easy-to-follow checklist that can help you ensure that the choices you make are the right ones for your department, your processes, and your business.
Assembling Your Team

The first step in any successful ERP modernization is assembling the right team. Whichever solution and partner you end up choosing, the technology you acquire will have to tick a lot of different boxes for a lot of different people. The best way of making sure that everyone's needs are met is to get all of the right people involved in the decision-making process from the start.

For starters, your team is going to need:

- A senior executive sponsor
- A defined-selection project leader
- Stakeholders from every department touched by the processes you want to transform
- Senior stakeholders with an understanding of the processes covered by the ERP application
- A steering group of employees with responsibilities that span the breadth of ERP

By finding people who fit into those groups and assembling them into a formalized acquisition team, you can see the full scope of exactly what your ideal solution needs to do to meet all of their needs. Together, they’ll enable you to see:

- Which areas and processes relating to ERP (such as finance, ordering, projects and manufacturing back-office processes) are in the most immediate need of modernizing
- Where inefficiencies exist that need to be eliminated by the chosen solution
- Areas where current solutions are not meeting expectations
- What is required from the ERP system to support the strategic direction of the business and deliver value

Those ultimately will be your reasons for acquiring the solution suite that you eventually settle on, and having solid, proven issues that need solving will prove invaluable when it comes to building a winning business case.
Locking Down Your Technical Needs

The input provided by all of the groups represented in your team will enable you to build up a comprehensive list of requirements across the business—every person and group’s needs. But this is a technology purchase, and it’s not just people’s requirements that it needs to meet—there is also a handful of tech boxes to tick.

Ask yourself and your team these important questions upfront:

- How many users will the solution need to support?
- Is that number likely to grow significantly in the future? And if so, can the solution scale alongside it?
- What other essential business apps does the solution need to integrate with and be able to talk to?
- Will the apps be able to run on all of the devices you need them to, and enable your people to access them from anywhere, at any time?
- Will disparate users from across your organization be able to connect to and use the solution effectively?
- Do you want to take advantage of new business intelligence (BI) and analytical capabilities? And if you do, what systems will the platform need to integrate with to easily access data for analysis?

When you pair your answers to those questions with the direct input of your team members, you’ll soon build up a picture of exactly what you’re looking for. The next step is getting the buy-in you need to go after it.
Building Your Business Case

With your team built and your tech needs outlined, you’re ready to start working on your business case. Creating a compelling and convincing business case is a critical part of the selection process, because it is your key to securing C-level buy-in and getting corporate sponsors on your side.

A good business case is exactly that: a case made for how a new solution will benefit the entire business. Don’t fall into the trap of just talking about how it will benefit the finance department and those with job titles specifically related to ERP. The tools you are acquiring will benefit every single person in your business, and the case you make for acquisition needs to reflect that as fully as possible.

You need to think in terms of the things the C-suite really wants to hear. Focus on:

- How the solution will support specific elements of the business’s current and future strategy
- How it will help solve problems that they are already aware of
- The macrolevel challenges it will help the business overcome
- How it will help the business compete with other key players in its market
- How it will help improve common finance KPIs (such as the cost of finance, time to process invoices, and days sales outstanding) against current benchmarks

All of those things, when demonstrated clearly, will help you build up a compelling business case. But there’s one thing that the C-suite really wants to see from you, and that’s some cold, hard figures showing exactly the kind of financial return and value that the business is likely to see from this new investment.
Nothing wins the support and buy-in of senior executives quite like a detailed and accurate ROI forecast. By demonstrating that you have considered exactly how your investment will impact the business’s bottom line, you can make the decision to grant approval extremely simple.

When it comes to demonstrating the value of an ERP cloud solution investment, you need to think about a wide variety of factors, such as:

- The reduced need for ERP resources, thanks to increased automation and simple self-service tools
- The cost savings associated with moving on-premises ERP solutions to the cloud
- The improvements you can make to processes using the insight granted by new ERP analytics
- The increased efficiency of individual processes, especially those that may still be somewhat paper-based
- Improved visibility of all ERP processes, helping to identify further opportunities for cost savings
- Less wastage, and improved control over budgets and purchasing

As highlighted in the Nucleus Research quote below, cloud ROI is determined by a wide range of different factors. So when it comes to turning all of those things into actual numbers, you may need some outside assistance.

Your own finance experts will be able to help, but you may also find that you need the assistance of third-party experts with specific experience of preparing ROI forecasts for these kinds of investments.

“The cloud ROI multiplier is driven by a number of factors, including lower initial and ongoing costs and the ability to deliver greater value over time without the cost and disruption traditionally associated with upgrading, expanding, or changing business applications.”

Nucleus Research report, “Cloud Delivers 2.1 Times More ROI.”
The full report is available for download here.
Once you’ve secured your funding and executive buy-in, the real decision-making can begin. There will likely be a number of vendors in the marketplace that can meet your basic requirements as identified earlier, so how do you choose between them?

Your first task at this stage is creating a shortlist of potential offerings that meet most of your general, agreed-upon requirements. Then, with those options outlined, you can start digging a little deeper to discover what it is that truly sets them apart from each other.

Here, you’ll need to look beyond just a basic list of features and tools; you need to look at the entire service you’ll receive with each potential partner.

Ask yourself the following questions as you look into each option:

- What is each vendor’s support offering like? Will you be able to get the assistance you need, when you need it?
- Do they provide training to help everyone get up to speed with the new tools, and start getting the most from them immediately?
- Will they help you migrate data from your current solutions and make the deployment process as simple as possible?
- Do they have a proven record of providing cloud software services reliably, with the minimum levels of downtime?
- Do they address your security concerns? For example, do they isolate your data from that of other companies? Do they have market-leading security features such as encryption, virus scan, security in silicon, and whitelist support?
- What kinds of other services do they provide? And could those complement your new ERP cloud solution in the future?
- Is the vendor at the leading edge of cloud technology? And what have they got in the pipeline to ensure that you can always access the latest and greatest features and functions?

At this stage, most of the information you’ve seen will have been prepared by the vendors themselves. It is still valuable, but to get a complete view of the solutions you’ve shortlisted, it’s also worth adding an additional data source to complement that information and give you a fresh perspective on it.
Executing and Managing Your Move to the Cloud

The increased implementation speed in the cloud means that once you’ve chosen a vendor and got things moving, you won’t have much time to course-correct. Therefore, it’s important that you consider how you’re going to effectively manage the change that your move to cloud ERP represents.

By following these steps, you can ensure that you make the right changes first time, and that the final stages of your journey towards cloud ERP are as well planned and considered as your first.
Step One: Begin with Your Business Processes

Start by getting a grasp of process best practices, then work to align your existing processes with them. When you start planning those changes, you’ll quickly identify areas where your current systems aren’t up to scratch, and where things could be simplified or improved by the new tools you’re deploying.

Step Two: Advance with Accelerators

Leverage predefined solution approaches with accelerators and tools that minimize the impact of implementation activities on the business to get up and running with minimal disruption or risk of error.

Step Three: Make Data a Priority

Prioritize data conversion and begin testing data loads as early as possible, because troubleshooting and resolving data issues at a later stage within upload templates can be extremely time-consuming and put the brakes on your deployment.
Step Four:
Governance and Rigor Are Still Necessary

ERP in the cloud allows acceleration of implementations and the pace of work can sometimes be intense, so it’s extremely important to plan out exactly how you’re going to maintain governance within your new, fast-paced processes.

Step Five:
Engage Superusers Early and Often

The best step to success is having key users involved in design and testing activities, because these users have credibility in the field and are critical to widespread adoption among the rest of your workforce.

Step Six:
Define Success Criteria up Front

Cloud capabilities only make sense if the business value is realized. Take the time to properly define what success looks like up front, and manage the project to deliver on those specific goals.
Your Cloud ERP Acquisition Checklist

A: Assemble Your Team
1. Identify your executive sponsor.
2. Define a clear leader for your project.
3. Ensure stakeholders from across all areas of ERP are involved.
4. Include people from outside of the finance department with visibility of the future strategic direction of the business.
5. Get real users involved in the decision-making process and canvass their opinions on what’s needed.

B: Lock Down Your Technology Requirements
Answer the following questions:
1. How many users will the solution need to support?
2. Is that number likely to grow significantly in the future? And if so, can the solution scale alongside it?
3. What other essential business apps does the solution need to integrate with and be able to talk to?
4. What devices do the chosen apps (or suite) need to run on for everyone in your business to get the most from them?

C: Build and Make Your Business Case
1. Identify key issues currently faced by the business that your project could help solve.
2. Speak in broad terms about business benefits; don’t just focus on the impact for people with entirely ERP-focused jobs.
3. Look for areas where your project could save the business money, and define benchmarks for key KPIs that your new solution will help improve.
4. Create a compelling ROI forecast that demonstrates what your proposed acquisition will do for the bottom line.
D:

Start Looking at the Offerings in the Market

1. Do some preliminary research and start drafting a shortlist of potential solutions that meet your outlined criteria.
2. Look beyond the functionality of each suite and ask yourself the questions we identified in the “Picking the Right Partner” section.
3. Assess each option on your shortlist based on what it can offer you today, how the partner adds value beyond the solution itself, and what the future of the platform could hold.

E:

Plan How You Will Manage the Change Represented by Your Move to Cloud ERP

1. Plan how you want your ERP processes to change, then look at how cloud tools can support that.
2. Ensure that your data is ready for the move to the cloud, and work closely with your chosen vendor to mitigate any potential migration risks.
3. Plan how you will maintain governance within your new high-speed ERP processes.
4. Get superusers on your side during your deployment planning, and enable them to guide the process.
5. Define what cloud ERP success looks like to you, and work towards those predefined goals.
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