



SELECTION OF CONSULTANT: A SIGNIFICANT MOVE TOWARDS ERP IMPLEMENTATION

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Abstract

Hiring a consultant for ERP implementation is nothing but the knowledge Transfer regarding the various aspects of ERP like Profitability, strategy , what to be done and what not to be done, change management and ultimately the employee satisfaction and organization behavior regarding the adoption of new information technology and its post implementation reaction.

Besides the cost overrun, many organizations discovered that the Consultant design, assumption and implementation are different from the expected one. Therefore having a proper plan to Manage the ERP project consultant is just as important as selecting the right one. When the ERP so consultants are not properly selected/managed, the total cost of the ERP project can be higher than the perceived one. So before finalizing / selecting the consultant various parameters should be examined properly.

Keywords: Enterprises Resource Planning, ERP, Consultant, Implementation, Cost

Introduction

ERP systems have become a major tool these days to tackle today's increasing complexity in the organization work culture , and the profitable aspects associated with the modules of ERP as they provide two main advantages: (1) a comprehensive and unified view of the organization and (2) a common database where all business transactions are recorded and stored

As rightly said by (Harris, 2006) that ERP systems are a tool to reduce cost and cut inefficient processes in the existing system to achieve the desired and expected results However, in many cases the results are not up to

the expectation and due to this create conflict among the employees about the value they actually want to deliver to the organization .Therefore the effectiveness begins with implementation of various service contracts with the consultants.

Therefore the selection of right software consultant or firm is critical during the implementation of ERP system or any other software package to assist the project. The cost associated in software consulting is considered as the biggest expenditure in IT Project with highest risk, even with the best ERP consulting services taken for project. It is due to the assumption of many organizations a that the consultants will manage themselves.

Consulting Skills

Consulting for Information Technology require a mix of business skills as well as technical skills. An ERP consultant should have a in depth knowledge and understanding of business of business domain at same time having ability to interpret business understanding to ERP functionality. Therefore the key focus consulting should be value to the customer with result oriented process delivery. Business drivers vary from industry to industry and each industry has its own unique industry drivers associated with them to have long term benefits. Therefore there should be continuous update on key business divers to tailor the implementation process to suit these ever changing and evolving business requirements. That's why the proper understanding of these drivers provide the business integrity as well as ERP functionality a great success. Which is helpful in achieving the consultants result oriented objective which provide value of cost, there can be no barrier in growth.

Mandatory Skill**1. Technical qualification:**

To become a consultant the person should have basic Technical education in computers /electronics. This is important because the person should be quite capable to know how the technical things in well verse manners like to learn the applications of software, its use and know how as well and its functional features. Person should be familiar with latest ongoing trends in Information technology like SAP ,Oracle .Besides this One should know the fundamentals and the basics of ERP. He/she should have clear understanding about ERP and why it should be implemented. by a company and its importance. These are the few basic requirements to become an ERP consultant.

2. Communication Skills:

Consultant should have the basic skill set of communication so that he should be able to handle all queries of the client and convince the need in proper manners. Communications capability always lead and assist the project team in development and execution of the communications plan. The manager Communications position play a key role in helping the ERP project keep the sponsors, the stakeholders and the business informed of the current position of the project and of key milestones achieved , as they approach and after they occur. While this position holder does not have supervisory responsibility, this person will have to work through many others in the organization in order to succeed. The key responsibilities associated with this position include:•Work in conjunction with the ERP Project Management and Change Management Teams to develop and execute effective communications with regard to the ERP Project. Develop a communications strategy directed to local and remote employees. Communicate appropriate content within the Core Team, the user community and the entire organization.

3. Listening ability:

“As well as other's ideas during the discussion with employee and staff members. During interaction he should be capable of questioning peer member regarding any problem or solution at the same time he/she should be able to exchanging, defending, and rethinking ideas and also encourage and supporting the ideas and

efforts of others. It is good to know the basic modules like Purchasing, Inventory, General Ledger, etc. Understand the basics of each and the technicalities. a person who has an aptitude for solving problems and finding solutions and have an aptitude to Learn a Business Intelligence tool like Discoverer and become an expert at it”.

4. Training:

Having a formal training in the use of ERP platforms and software is extremely helpful. There is also the option of online training available. Many tutorials are available online for starters that can help the consultant

5. Problem Solver:

The consultant hired should have a capability to solve the problem in required manner in a given time frame and the need of the client. The person should have a diagnostic capability do find the root cause of the problem.

6. Acquaintance of skills:

Knowledge and level of individual know-how of consultant are the two major area of conflict because the gaps in knowledge and skills plays critical role in ERP implementation. all the feature cannot be utilized by the companies at the same . the size of system increases the no of features utilization ratio decreases. Therefore hiring the consultant is just like bringing the knowledge to organization regarding the benefits associated with it. To get benefits the consultant must know about the business environment and operational features of the company.

Cost:

The first and perhaps most misperceived variable in the working relationship is around the area of pay. Because ERP consultants typically make between \$120 and \$240 per hour, clients equate that to a \$240,000 to \$480,000 per year personal income. Clients do not typically make mental allowances for forty percent of that figure going to federal, state, and local income taxes, social security, and Medicare. Clients do not factor in health insurance, dental insurance, and other typical corporate benefits. If the consultants work as part of a larger consulting firm, then the consulting firm is also taking 15% - 25% off the top.

Clients also see the ERP consultant lifestyle as “glamorous”: flying around the country, staying in hotels, living off expense account. Only when

you have experienced that life style is it evident how “un-glamorous” it is; being away from home four nights out of seven, and eating restaurant food every day gets old quickly. However, from a distance, the idea of being important enough to be paid to fly a thousand miles to a job every week can create an atmosphere of “show me”.

Relational Differences

The ongoing relationship is being influenced by the cultural surroundings . All the cultures are not same in nature some of them are quite aggressive and some are quite confrontational .Therefore the consultant must be able to understand the feelings of sensitivity, their quietness and the same time he/she should give the respect, shows the confident and not involved in leg pulling and try to avoid the assertiveness in his /her behavior . and if the person can overcome these few pitfalls the relationship can be sustain and long lasting and there will be win-win position for the organization and the consultant. Therefore to become a good consultant of ERP you should act as coach-cum teacher and try to avoid the technical solution provider, in this way the consultant can create a value for the money for an organization or company. Simply integrating the systems is not of much important that providing the one solution over another by understanding why it is do be done. So to synergies both the party the consultant should prove his worth of work by engage the person in a project at the right time and right place with right attitude.

Benefits

There are certain benefits linked with hiring of consultants being his/her assignment is temporary and contractual in nature which does not require employment benefits as others required. There is no long term investment, no medical facilities are required. No training expense on as other staff requires to ward the permanent role.it seems it inexpensive than permanent employee of the organization. They shows the benchmarking of the organization at the various levels for the various groups and keep on adding it.

Drawbacks

As the nature of job is temporary and no proper understanding is developed in a short span of the time consultant can put you in binding in

strategic decision , he can hide some of the facts and figure from you and leave the ultimate decision up you it happens due to the fact that problem s are the part of management system and he is not going to experience the same after implementation.

“Implementation consultants who do not adequately attempt to understand the work within the organization's culture can actually hinder progress. Some consultants seem ready to lengthen the process of implementation, instead of creating the climate for change necessary to accelerate the process of implementation and increase productivity”(www.sap.com)

Once after the implementation is started the consultants demand increase on various issue s prevailing in the company after the implementation of ERP and organizations are in tristate what to do at this stages that’s increases the cost of implementation. When the same consultants goes with competitor it might be the possibility that he can disclosed the strategic decisions trees being developed during the ERP implementation. So despite all these odds if the consultant is hired everything should be very very clear , specific statement that he is having the expertise in the concern area on the tables with clear understanding of companies goals behind the ERP implementation

Conclusion:

The task of the consultant who implements the ERP whether it is small organization or large organization it helps them both in the same manner, only things is that ERP system chosen for implementation should be correct, work correct, used correct and applied correct and the manner should be correct. As rightly said that more challenges occurs in small business in terms of resource allocation and backfilling necessary for ERP success. To get the success of ERP implantation spend the time for proper project management process with right staff members to receive the desired support in participation ion of implementation .

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