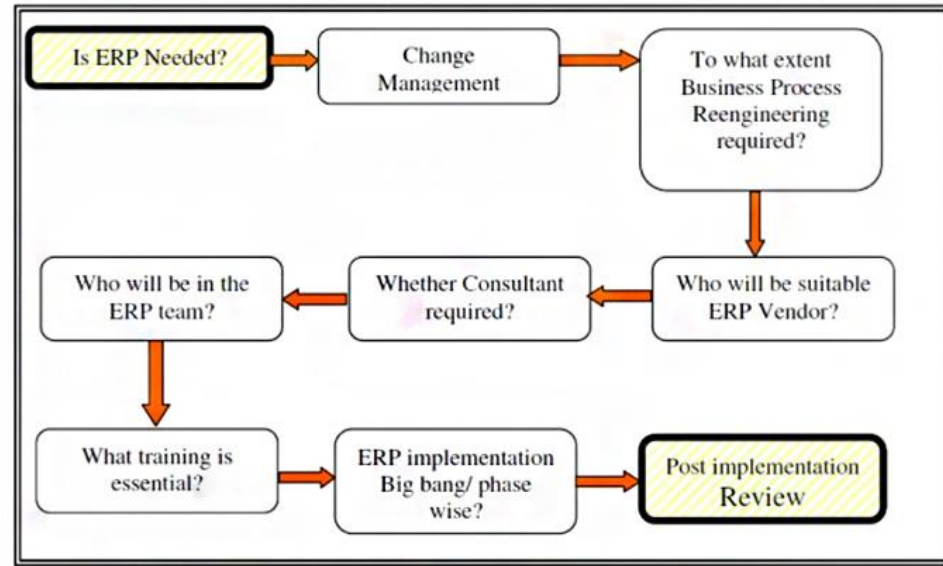


ERP Project Challenges

Sep 2022

Introduction



An ERP implementation is all about finding the right balance between people and technology. Organizations may face people-related challenges such as resistance to change, as well as technical obstacles. **These are the common ERP implementation challenges include:**



1

ERP Vendor Selection

ERP implementation challenges

1. ERP Vendor Selection

- When you land your feet in the ERP market, you'll see several ERP applications as everybody is claiming to be the best. However, you can't go by their claims and choose that meets your business needs.
- Hence, we would like to compare some of the best ERP in the world that they have been implemented in some industries in Iran in recent years.



ERP Softwares Comparison

			
Product Name	Microsoft Dynamics NAV	Oracle ERP	SAP ERP
BUSINESS SECTOR			
DISTRIBUTION	✓	✓	✓
GOVERNMENT & NPO	✗	✓	✗
MANUFACTURING	✓	✓	✓
RETAIL	✓	✓	✓
SERVICES	✓	✓	✓

ERP Softwares Comparison



ORACLE®



Product Name	Microsoft Dynamics NAV	Oracle ERP	SAP ERP
INDUSTRY			
AUTOMOTIVE	✓	✓	✓
CHEMICAL	✓	✓	✓
CONSTRUCTION	✓	✓	✓
ELECTRONICS	✓	✓	✓
ENERGY/POWER/UTILITY	✓	✓	✓
ENGINEERING	✓	✓	✓
FINANCIAL SERVICES	✓	✓	✓
FOOD & BEVERAGE	✓	✓	✓
MEDICAL & HEALTHCARE	✓	✓	✓
METAL WORKING	✓	✓	✓
OILFIELD	✓	✓	✓
PACKAGING	✓	✓	✓
PLASTICS & RUBBER	✓	✓	✓
TELECOMMUNICATIONS	✓	✓	✓
EDUCATION	✓	✗	✗

ERP Softwares Comparison



Product Name	Microsoft Dynamics NAV	Oracle ERP	SAP ERP
ERP SOFTWARE FEATURES			
BILLING	✓	✓	✓
BUSINESS INTELIGENCE / ANALYTICS	✓	✓	✓
COSTING	✓	✓	✓
CRM	✓	✓	✓
CUSTOMER SERVICE	✓	✓	✓
PRODUCT DESIGN	✗	✓	✓
FINANCIAL & ACCOUNTING	✓	✓	✓
HR	✓	✓	✓
INVENTORY MANAGEMENT	✓	✓	✓
ORDER MANAGEMENT	✓	✓	✓
PLANNING & SCHEDULING	✓	✓	✓
PROJECT MANAGEMENT	✓	✓	✓
PURCHASING	✓	✓	✓
QUALITY CONTROL	✓	✓	✓
SALES	✓	✓	✓
SHIPPING & DISTRIBUTION	✓	✓	✓
SUPPLY CHAIN MANAGEMENT	✓	✓	✓
WAREHOUSE MANAGEMENT	✓	✓	✓
ASSET MANAGEMENT	✗	✓	✓
DOCUMENT MANAGEMENT	✓	✓	✓

ERP Softwares Comparison



Microsoft
Dynamics

ORACLE

SAP

Product Name	Microsoft Dynamics NAV	Oracle ERP	SAP ERP
CUSTOMER SUITABILITY			
ENTERPRISE (1000+ EMPLOYEES)	✗	✓	✓
MEDIUM SIZE (251-1000 EMPLOYEES)	✓	✓	✓
SMALL BUSINESS (1-250 EMPLOYEES)	✓	✓	✓
ADDITIONAL PRODUCT INFO			
MULTI LANGUAGE	✓	✓	✓
MULTI CURRENCY	✓	✓	✓
CUSTOMIZABLE	✓	✓	✓
MOBILE CAPABILITIES			
ANDROID APP	✓	✓	✓
IOS APP	✓	✓	✓
WEB APP	✓	✓	✓
SYSTEM HOSTING			
CLOUD	✓	✓	✓
INSTALLED ON PREMISE	✓	✓	✓

ERP Softwares Comparison



ORACLE®

SAP®

Product Name

Microsoft Dynamics NAV

Oracle ERP

SAP ERP

TO PURCHASE ERP

INTERNAL AGENT



EXTERNAL AGENT



ERP CONSULTANT

INTERNAL CONSULTANT



EXTERNAL CONSULTANT



NO. of CONSULTANT's IN IRAN

ONLY ONE CONSULTANT



MORE THAN ONE



Customers of ERP

SAP is headquartered in Walldorf, Baden-Württemberg, Germany with regional offices in 180 countries. The company has **over 425,000 customers**.



Sample of SAP Clients



Customers of ERP

it has been implemented for more than 9,000 Oracle Fusion Cloud ERP customers and 31,000 Oracle NetSuite customers.

Some of our Customers



and many many more...

ORACLE®

ERP



BEHSHAHR
شرکت صنعتی بهشهر



شرکت سهامی ذوب آهن اصفهان

AC ABHAR
CABLE
سیم و کابل ابهر

پارسیان
شرکت سهامی عام

Customers of ERP

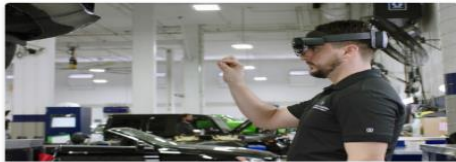
Dynamics 365 Business Central now has **over 15,000 customers** on its SaaS platform and is seeing 200 percent annual growth in users



Explore all global Dynamics 365 customer stories



Automotive



Mercedes-Benz USA



Toyota Ukraine



Encory GmbH

Manufacturing



Sandvik



Musashi Seimitsu Industry Co., Ltd.



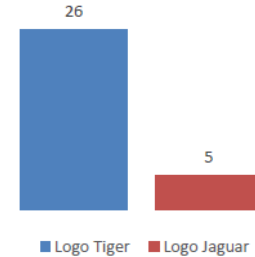
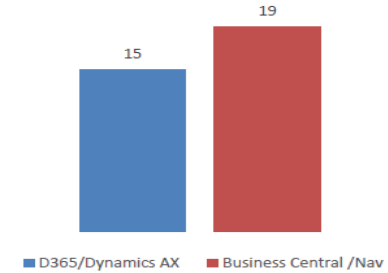
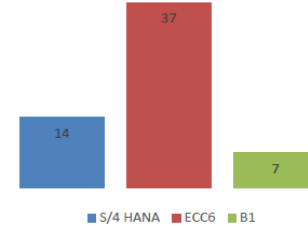
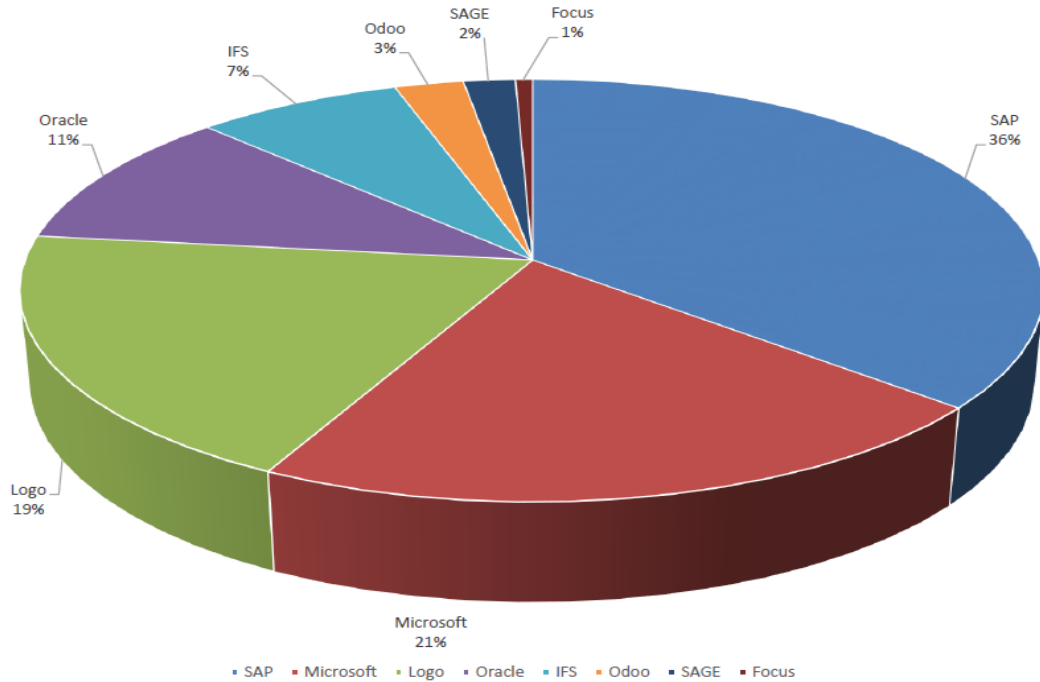
PERI Deutschland GmbH



Customers of ERP

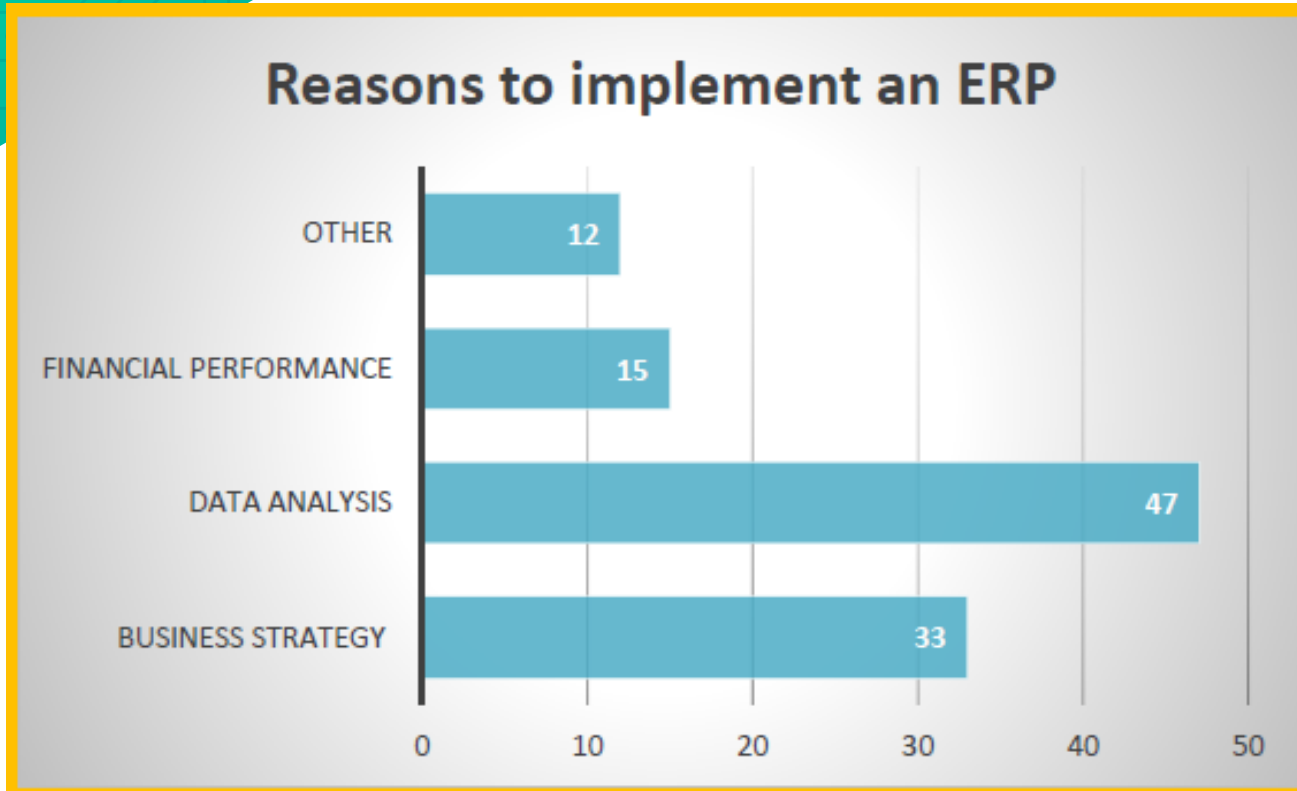
As a research which is done for ERP Solutions implementation in IRAN Market in 2020:

ERP Projects Statistics



Customers of ERP

The reasons to implement ERP in IRAN Market as the same research:



ERP Vendor Selection

TOP ENTERPRISE SYSTEMS ARE LARGELY DEPENDENT ON COMPANY SIZE, INDUSTRY, AND STRATEGIC GOALS

At the end of the day, the best systems for your organization will largely be dependent on your company size, industry, and strategic goals. Where one particular system may not even make a company's top 10, that same product could be the #1 pick for another. For example, a technology-agnostic comparison of SAP S/4HANA vs. Microsoft Dynamics 365 illustrates two products that couldn't be more different.

This is where independent digital transformation consultants such as Third Stage can help. We help the world's leading organizations define their digital strategy, select the right software, prepare for implementation, provide implementation quality assurance, and manage organizational change.

ERP Vendor Selection

1 > SAP S/4HANA AND Ariba



In some ways, SAP S/4HANA is the gold standard of ERP and SCM systems for large, multi-national organizations. It is big, complex, and robust, which can be a good thing or a bad thing depending on your needs. It handles full ERP functionality such as financials, inventory management, and CRM, while the addition of Ariba strengthens capabilities within procure-to-pay processes. The HANA platform provides speed and real-time visibility, but the functional maturity of the product is weak relative to its legacy ECC and R/3 products.

2 > ORACLE NETSUITE



Oracle NetSuite is a common go-to supply chain and ERP system for small to mid-sized organizations – especially those with relatively vanilla and less complex business requirements. Unlike other SCM and ERP systems that have just recently migrated to the cloud, it is a mature SaaS ERP system that was built in the cloud. The product also provides a full-blown ERP solution even outside of supply chain management, as well as a large customer install base and the resources of software giant Oracle.

3 > MICROSOFT DYNAMICS 365



Microsoft is another mid-market favorite among those with relatively simple supply chain processes and needs. It is one of the top ERP systems with the familiar Microsoft look and feel. It is a flexible product that integrates relatively well with third-party systems, but it has its weaknesses as well. It struggles to meet more complex supply chain needs and its network of resellers and implementation partners is a mess, but it can be a good fit for many organizations.

ERP Vendor Selection



Microsoft Dynamics NAV

ORACLE®

Oracle ERP

SAP

SAP ERP

The Most Important criteria

Supply Chain Processes	3	2	1
Functional requirements	3	1	2
ERP Consultant in IRAN Market	3	2	1
Integration with existing systems in IRAN Market	2	3	1
Necessary Customization	1	3	2
Technology and future scalability	2	3	1
Company Size	3	2	1
The cost of (Liscence & SLA)	1	2	3
The cost of (Infrastructure)	1	2	3
The cost of (Implementation)	3	1	2
Maintainability	1	3	2
Rank Points	360	330	410



2

Commitment From Top Management

ERP implementation challenges

2. Commitment From Top Management

Senior managers are the key **decision-makers** for any organization while implementing ERP. Their involvement is essential for the success of a project. So any form of ignorance and laxity may cause ineffective decisions and delayed operations.

It needs to be completely supported by **CFO** and **HR Manager**.



1. Full support of top management

2. Full support by CFO & HR



3

Employee Retention

ERP implementation challenges

3. Employee Retention

Despite the training provided, **employees leave the organization** after the implementation of ERP, as it can be a major dent in a company's growth. As they think, the tasks they used to do are automated and often devalued and cause a **sense of insecurity**.



1. Ready for new role of employee
2. Decision for retention or redundancy



4

Proper & Adequate Training

ERP implementation challenges

4. Proper & Adequate Training

Once the ERP system is implemented, resentment from employees is an ordinary happening and may result in downgrading productivity. So you can't let unskilled or semiskilled staff go onboard. The existing team should get the proper training to be familiar with the software



1. Consider needed time for Training

2. Evaluate employee before Go Live



5

Proper Planning & Change Management

ERP implementation challenges

5. Proper Planning & Management

Forecasting and estimation are the keys to a successful ERP implementation.

When you work with **clear goals** and **realistic plans**, you're bound to overcome such issues.

Companies that want to implement the ERP system need to align **capable employees** for successful ERP implementation. Usually, companies seek an external source, but often **internal employees** are preferred.

Managing **significant changes** in your business environment is an art as well as a skill.



1. Steering Committee

2. Executive Committee



6

Cost Incurred on Implementation

ERP implementation challenges

6. Cost Incurred on Implementation

When you're implementing ERP, the cost incurred is higher than the **initial costs**. So it all depends on the customization cost. When the **customization cost** is more, the higher will be the implementation cost. So you have to be proactive about the possible costing affecting your budget.



Note: You should investigate all aspects for any customization (10% to 15%)



7

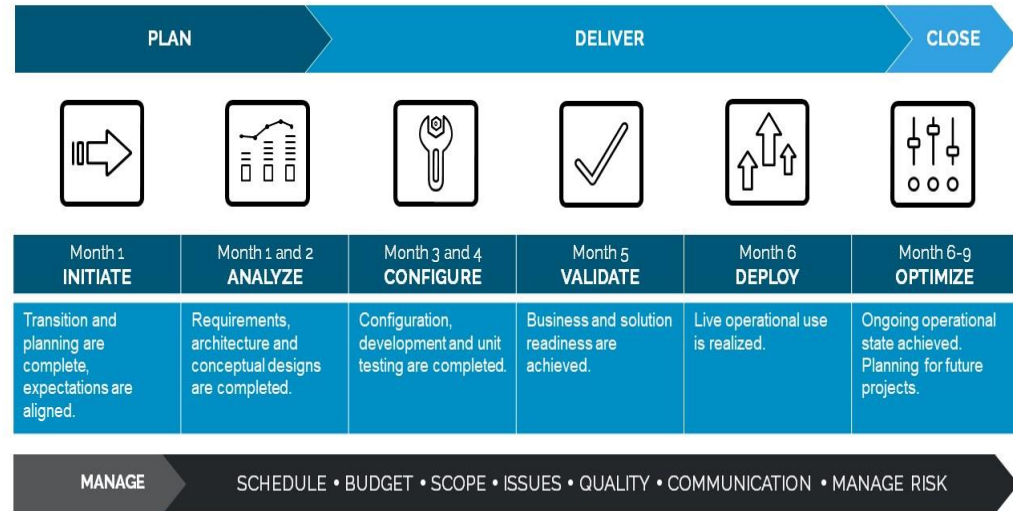
Implementation Time

ERP implementation challenges

7. Implementation Time

Many companies don't realize the **time consumption** of an ERP implementation process. An ERP system is implemented *step by step* as you **initiate, analyze, configure, validate, deploy, optimize** the business process. Because it is very standard, it needs to be designed for a particular business to handle its operations

ERP IMPLEMENTATION TIMELINE



Note: You should consider a proper date for Go live considering Fiscal Year

8

Sufficient Testing

ERP implementation challenges

8. Sufficient Testing

Testing an ERP system doesn't mean whether it's working smoothly or not, but to be delighted by its performance and see if it is up to the business needs. Insufficient testing of the system can attract costly unplanned updating



Note: You should consider some real scenario to test the process before Go Live



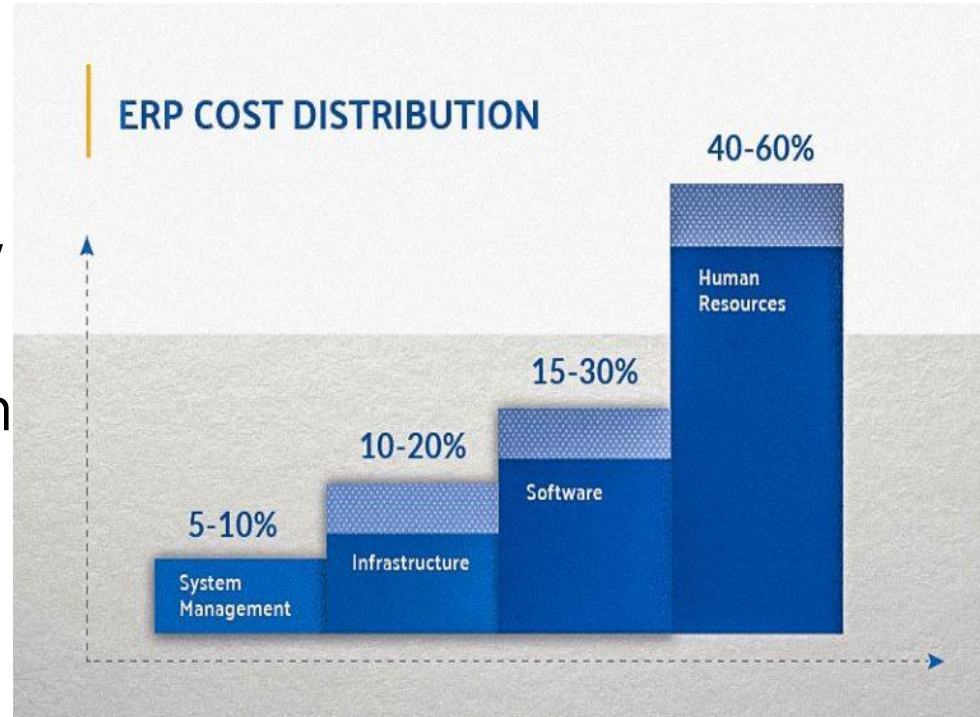
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Maintenance Cost

ERP implementation challenges

9. Maintenance Cost

ERP has maintenance costs attached, which takes a toll on overall expenses and eventually pulverize your plans. A successful ERP implementation often needs periodic maintenance, including system management, infrastructure, software, and human resources



Note: You should consider total cost of ERP



10

Investment In Internal Hardware

ERP implementation challenges

10. Investment In Internal Hardware

Working on a slow system can be very unproductive and frustrating. ERP applications require **sufficient storage** and **high work performance**. Low investment in **internal hardware** may result in various software issues and leads to unprecedented business downfall.



Note: You should consider necessary Hardware if you need to have a perfect performance of ERP

THANKS!

Any questions?

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