

# Migrating to a New ERP

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# Featured Presenter



**Fred Hargrove, CPA**  
**Managing Director**  
**MorganFranklin Consulting**

# Fred Hargrove's Biography

- Fred Hargrove specializes in Enterprise Information Management (EIM), Enterprise Resource Planning (ERP), and Enterprise Performance Management (EPM). He draws upon more than 20 years of Big Four accounting, industry, and consulting experience to help clients overcome financial and operational performance challenges by optimizing processes, controls, technology, and data. His work spans full life cycle technology projects and business process initiatives ranging from custom and packaged system implementations and customer relationship management (CRM) to financial reporting, budgeting, and planning.
- Prior to joining MorganFranklin, he spent seven years in IBM's Business Consulting Services where he served as lead analyst on CRM system implementations, financial system migrations, and finance transformation projects.

# Featured Presenter



**Lisa VanPatten, CPA**  
**Executive Director**  
**MorganFranklin Consulting**

# Lisa VanPatten's Biography

- Lisa is an Executive Director at MorganFranklin leading the National NetSuite Practice and helping to build out MorganFranklin's overall consulting practice in Atlanta and the South East. In this role, she is responsible for hiring and building the NetSuite team, working with the Marketing & Business Development teams to generate leads as well as developing and improving services that are provided for the NetSuite practice.
- For over 20 years, Lisa has held CFO positions in various Hi-tech and manufacturing industries. She began her career in accounting, holding positions of senior analyst, accounting manager, assistant controller and at the age of 24 held her first leadership role as Controller. Lisa also serves on the Advisory Council for the School of Business at Rider University where she graduated.

# Learning Objectives

*Upon completing this webinar, you will be able to:*

1. Select a new system and recognize best practices for documenting your processes.
2. Describe system integrations and explain data migration.
3. Discover how to avoid mistakes in change management.
4. Give examples of what to expect when you implement a system.



# Agenda

- Selecting a system
- Document your processes
- Gather all your transaction use cases
- Don't overlook system integrations
- Don't underestimate data migration
- Change management – common mistake
- What to expect when you implement a system.

The goal of this presentation is to provide the attendees with information on what they can do to help their company prepare for a system selection and/or system implementation.

# Selecting a System

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# Selecting a System – How to Start?



- Create a committee of stakeholders
- Compile a list of requirements and the type of functionality you need
  - Look at the manual work that people are doing in their job.
  - Interview your employees on what type of information they need and how they get it today.
  - After you compile your requirements and functionality needs, categorize them as must haves, preferable, and nice to have. (This will help as you evaluate the cost of any system).
- Know your budget
- Identify the systems that closely match your requirements and is in the range of your budget

# Selecting a System

- Write up an RFP (Request for Proposal) and send to 3-4 vendors that you have identified closely meet your requirements and budget
- Have each vendor that responded to your RFP demonstrate the system.

No Time? Seek professional help who can help you identify the functionality you need and compile your requirements.

These professionals have knowledge of various systems and can help narrow your search and perform a fit/gap analysis.



# Selecting a System – Example of RFP

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## 5 HIGH LEVEL REQUIREMENTS

The high-level business requirements of the project to which this document relates are detailed in the following sections. Please use this information to understand COMPANY NAME's high level needs. More detailed requirements are stored in appendices.

### 5.1 Overview of Functional Requirements

Please respond specifically to each of the following high-level functional requirements with details of functional capabilities, production implementations and breadth of service.

COMPANY NAME has identified the following pillars to drive decision making in the selection of software and to act as guiding principles for the future state needs:

- Accounts Payable
  - A/P process workflow
  - Third party payment integrations
  - Cash flow and payment analysis
  - OCI capabilities
  - Reporting capabilities
- General Ledger
  - Automated and recurring journal entries
  - Journal entry workflow and management
  - Fixed Assets
  - Integration with third party data sources
  - Amortization automation
- Reporting and Budgeting
  - Automated and real time consolidation
  - Workflow capabilities
  - Statistical allocation in budgeting & actual
  - Reforecasting capabilities
- Usability
  - Ease of use
  - Must be flexible and configurable
- Technical
  - Hosted options
  - Integration flexibility – API, Batch

### 5.2 Overview of Information Security Requirements & Privacy Protection

- Access to the system must be by unique IDs and secure passwords, with the system enforcing 'strong' passwords
- Inactivity timeouts – should time out after a configurable period of inactive use.
- Role based security to allow, at a minimum, view only and administrator roles
- A clear audit trail must exist to identify who has done what, and when.
- Encryption
- Integration with Active Directory
- Single-sign on Support

### 5.3 Overview of Availability Requirements

# Polling Question 1

What accounting system do you currently use?

- a) QuickBooks
- b) Sage (MAS90)
- c) Intacct
- d) NetSuite
- e) Financial Force
- f) MS Dynamics/Business Central
- g) Great Plains
- h) Epicor
- i) Oracle
- j) SAP
- k) Other-not listed

# Polling Question 1 Results (Placeholder)

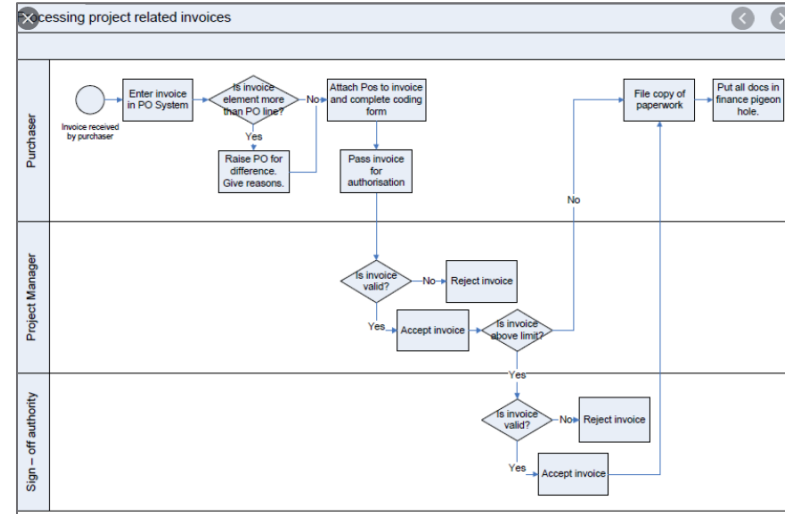
# Document your process

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# Document Your Process

- Identify your processes & process owners
  - Process areas: Procure to Pay, Order to Cash, etc.
  - Subprocess: Vendor management, purchase order creation, vendor bill creation, etc...
  - Process owners are lifelong owners. Processes will always evolve as your business evolves



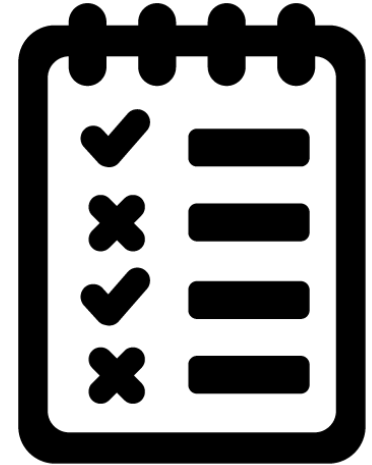
# Document Your Process

## Documentation

- If you don't have any documentation, that's ok, it's easy to begin.
  - Interview your employees to understand each subprocess
  - Visio is a good tool to create a visual representation of your process flows, but you can also use MS Word to list the steps in the process.
- Gather all your policies related to your process documentation. Good example: Vendor bill approval
- If you want to introduce a new process, make sure you have a written policy and procedure. Good example: Purchase orders

## Identify the pain points

- As your documenting your process, indicate where there is manual work
- You will also see inefficiency's that you should note.
- Make any adjustments or corrections where possible



# Gather Your Transactions

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# Gather your transactions & volume information

Gather transaction use cases and evaluate – identify the pain points.

- A Process will document a flow, i.e., how you receive a vendor bill (email), enter that bill (QB), approve (Email approval) and process for payment.
- What your process won't capture until you go down to a transaction level
  - Some bills are coded to prepaid expense. Accounting will record the information in excel to track the amortization for the prepaid item. Some systems have automation on this so you would want to mention to the system implementor.
  - Some bills are pass through costs to their customers. These costs are coded to a special GL account that is then picked up by accounting to invoice the client. Some systems have automation that will flag these costs when entered and make them available for billing.
  - Pain points could be, when a vendor bill is out for approval, the AP department may write it down someplace, but forgets it's circulating or loses track of who has it.
- One process may have many "Flavors" of the same transactions.
- Make sure to gather the volume of transactions
  - How many vendor bills your processing per day/month
  - Do you have seasonality
- The system implementor will want to be aware of all the nuances for the same transaction type.

# Polling Question 2

Does your company anticipate upgrading their ERP?

- a) Yes, already in the selection process
- b) Yes, Implementing a new system now
- c) Not at the moment but perhaps in 6 months to a year
- d) Not at the moment but perhaps in 1-2 years
- e) Not at the moment but perhaps in 3-4 years
- f) No, just implemented a new system
- g) No, we don't have the budget

# Polling Question 2 Results (Placeholder)

# System Integrations

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# System Integrations

## **System integrations can be complex**

If systems are not connected today, it will be more challenging to establish a new connection. Data in one system might not be the same as the other.

## **Think End to End.**

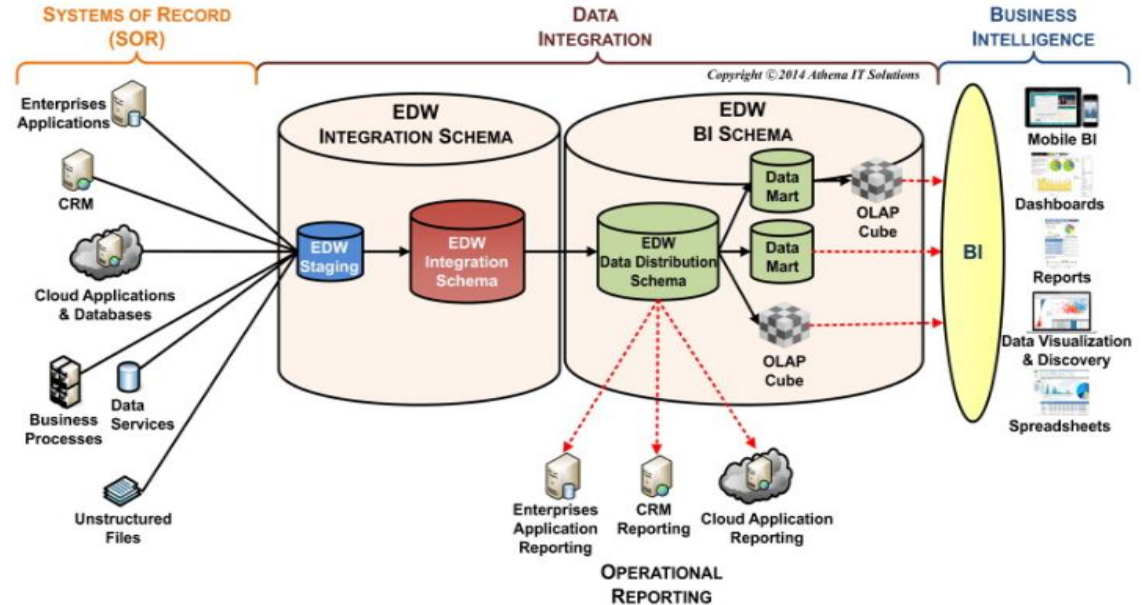
What you might connect upstream may no longer work as you move downstream.



# System Integrations

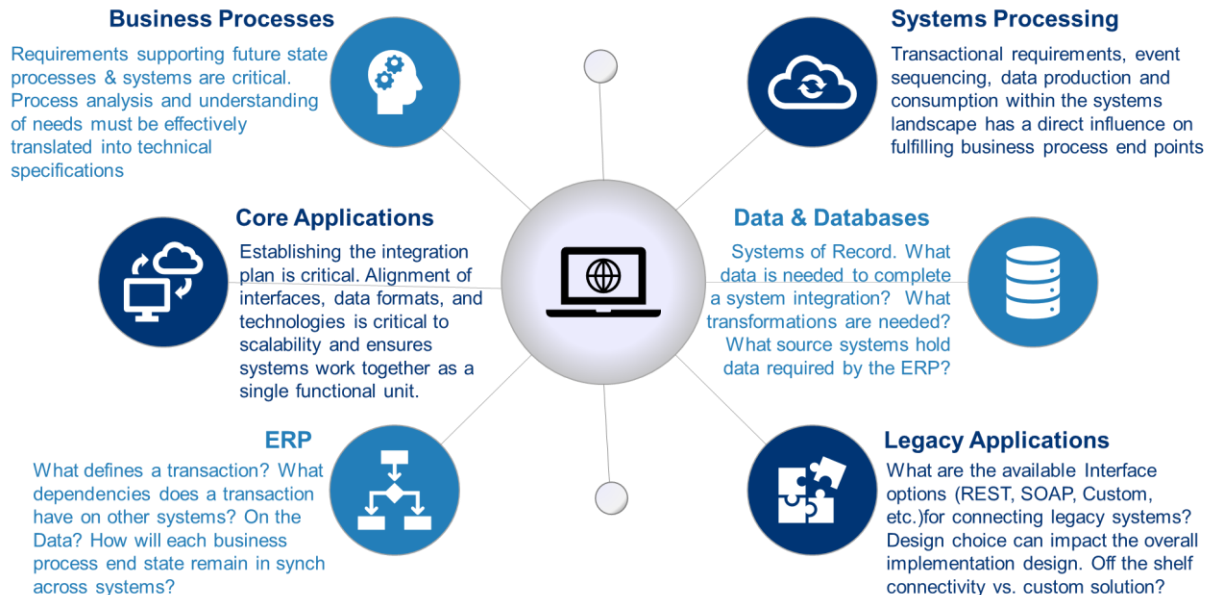
## How to prepare

- Create a system diagram, indicate what is manual or integrated
- Show current state - Show overall & multiple diagrams
- Show desired future state – Show overall & multiple diagrams
- Identify what tools you have that can be utilized to connect systems, if no tools then be prepared to identify and purchase a tool to connect your systems.
- Identify the resources that will support the integration



# Common ERP Integration Challenges

There are no “standard systems integrations”. Every company has a unique blend of systems and functionality which requires holistic consideration when implementing an ERP.



# Polling Question 3

Which of the following superpowers would you most like to have?

- a) Talk to animals
- b) Superhuman Strength
- c) Read Minds
- d) Be able to fly
- e) Be invisible whenever you want
- f) Upgrade your ERP with a snap of a finger
- g) Other

# Polling Question 3 Results (Placeholder)

# Data Migration

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# Data Migration

Data Migration can take much longer than you think.

## How to prepare

**Many systems:** Identify all the system that have customer data, vendor data, items for customer invoicing and historical financials (COA). Think about how you will consolidate these lists.

**Data Cleansing:** Check your customer and vendors for complete information. If you're pulling from various systems, look for duplicates. This is where most users will spend a significant amount of time to clean their data.

**Format of the data:** In addition to data cleansing, you should land on the format of the data i.e., phone number, address, dates, etc. Especially for international companies, you will want to review all the lists.

# Change Management

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# Change Management

- This is the most overlooked aspect when changing systems.
- People do not welcome change and they will resist change.
- How do you prepare your company for what's coming?
  - Make them part of the decision on which ERP to purchase. Start with process owners as they will become advocates
  - Make sure your over-communicating before and during an implementation with your company
    - Send out periodic updates to the company
    - Make them interesting to read
- Consensus building with those outside of the immediate project team.
  - Process owners should reach out to those that are affected by the new system
- Get users in the new system as soon as possible
  - Offer Training
  - Purchase a sandbox
  - Park time on users of the system calendar to use for learning the system. Don't wait for users to schedule time to do this. They will be focused on their day job.



# Go-Live Success Factors

## Common Implementation Pitfalls/Risks:

- Lack of an engaged Executive Sponsor
- Lack of “as-is” documentation with bridge to future state
- Failing to apply effective change management
- Inadequate or lack of involvement from cross-functional areas
- Lack of a full-time experienced Project Manager
- Ineffective / “short-cut” approach to testing
- Inadequately allocating time and resources for mapping / converting data structures
- Overlooking the importance of training to the success of the implementation
- Specific to carve outs:
  - Timeline is compressed
  - Processes may not be defined
  - Resource Constraints or many new hires that may not have historical knowledge
  - COA may need full redesign

## How to Mitigate Risk:

- We stress inclusion of all stakeholders, both leadership and users, during design to ensure system knowledge transfer
- We recognize the uniqueness of your organization and will provide recommendations to define business processes.
- We understand the impacts on your larger end to end system landscape and process areas with a new ERP
- We investigate and highlight business areas that tie into your organization’s long-term strategy, process and implementation goals
- We leverage our prior NetSuite implementation experiences on comparable companies and view potential issues from multiple angles
- We leverage consecutive project checkpoints / status meetings to verify key progress indicators.
- Excel – CSV, templated approach to data conversion and reconciliation
- Our focus on knowledge transfer, both technically and functionally, starts on day one
- Anchor all involved around an execution plan that considers experience, priorities and accountability

# Polling Question 4

Which areas are you least prepared for a new ERP implementation? (select all that apply)

- a) Requirements are not gathered
- b) Processes are not documented
- c) Use cases are not gathered
- d) Policy and procedures are not written
- e) Systems are not integrated, and no diagram exists to help see the flow
- f) Employees will resist any change

# Polling Question 4 Results (Placeholder)

# What to expect when you implement a system

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# What to Expect When You are Ready to Implement

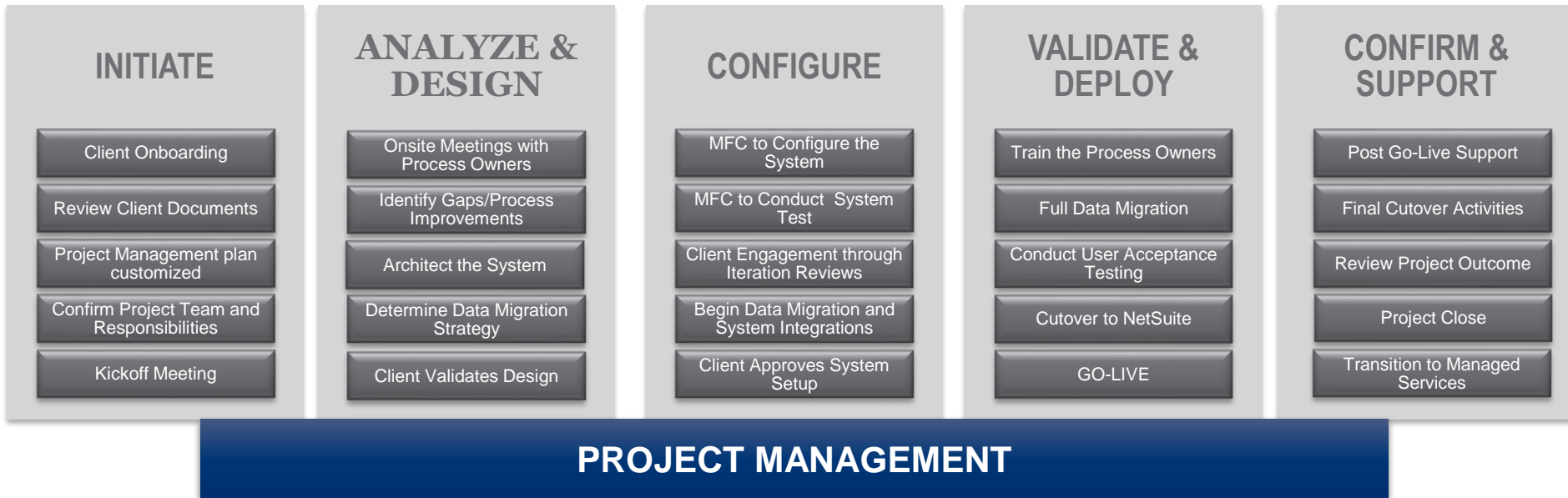
- Best Practice when you're implementing a system is to identify an internal resource to act as the Project manager
  - Help coordinate meetings
  - Keeps the team on top of their action items
  - Advocate for the project
  - Helps with escalations
  - Provides the system implementation team with feedback on how the project is going throughout the process
- It always takes longer than you think
  - Provide cushion in your plan because it will take much longer than you think.
  - Set expectations with the project team and the sponsors of the project.
  - Don't let a date blind you to the fact your team may not be ready to go live.
- It won't happen on its own... You will need to devote time.
  - You know your business better than a system implementor
  - Learning the system is easier than an outsider learning your business.

# Example of an Implementation Plan

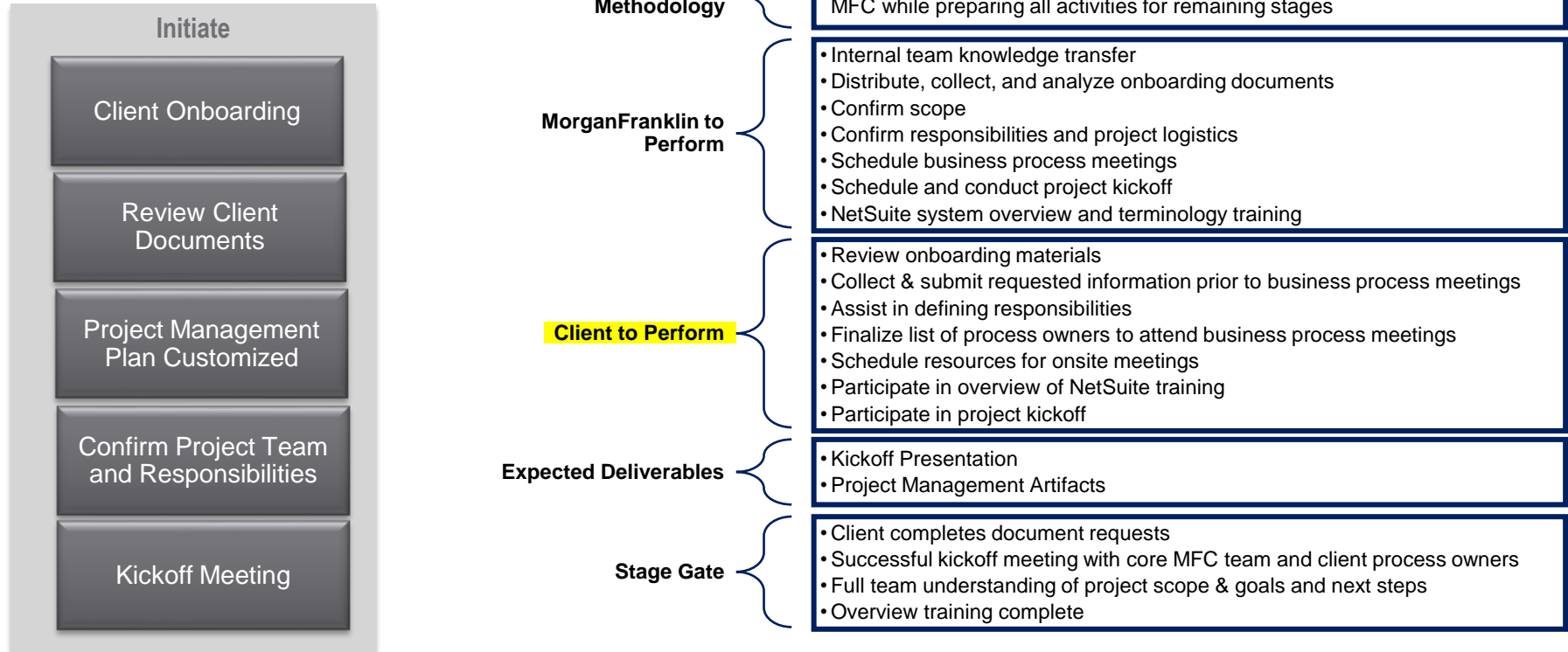
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# MorganFranklin Implementation Methodology

The implementation project will follow MorganFranklin Consulting's proven NetSuite implementation methodology. The graphic below is a high-level summary of the various key project stages and activities.

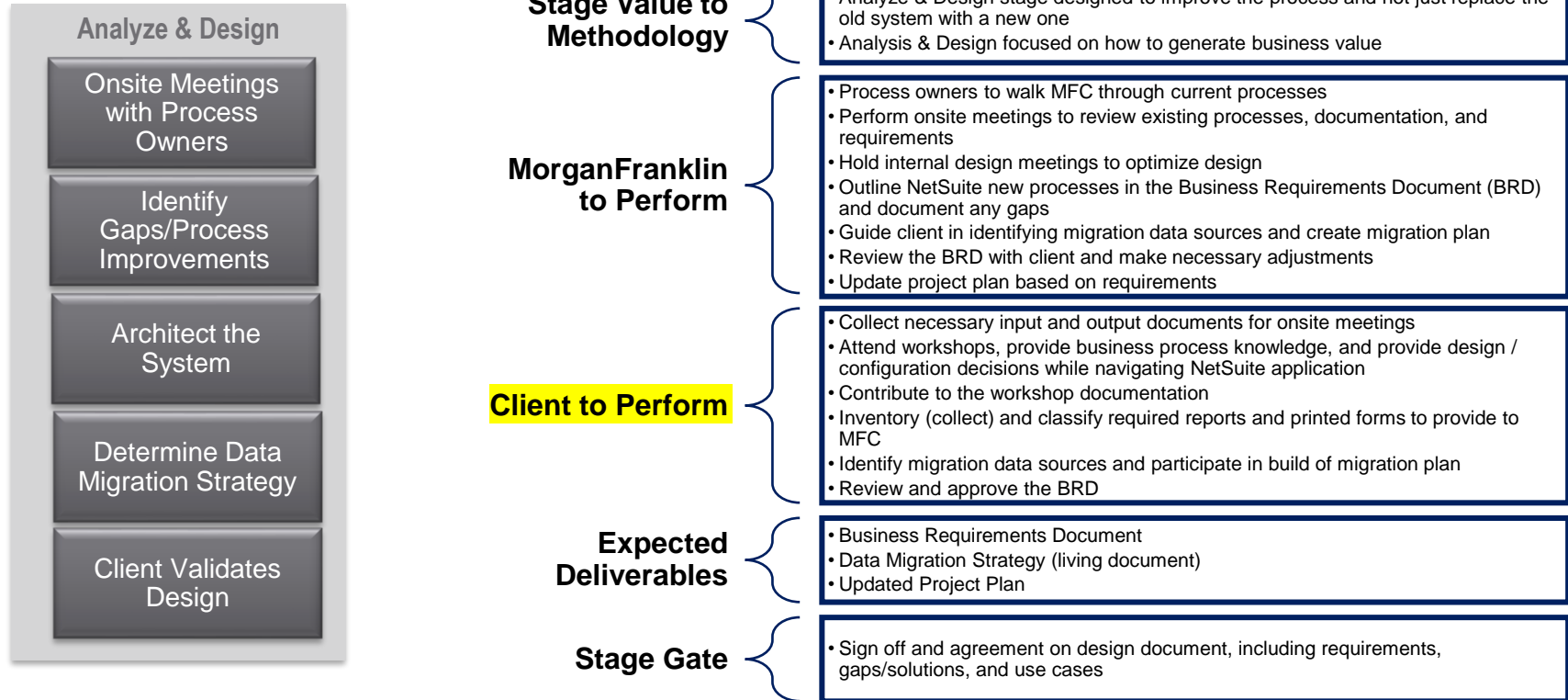


# Initiate Phase

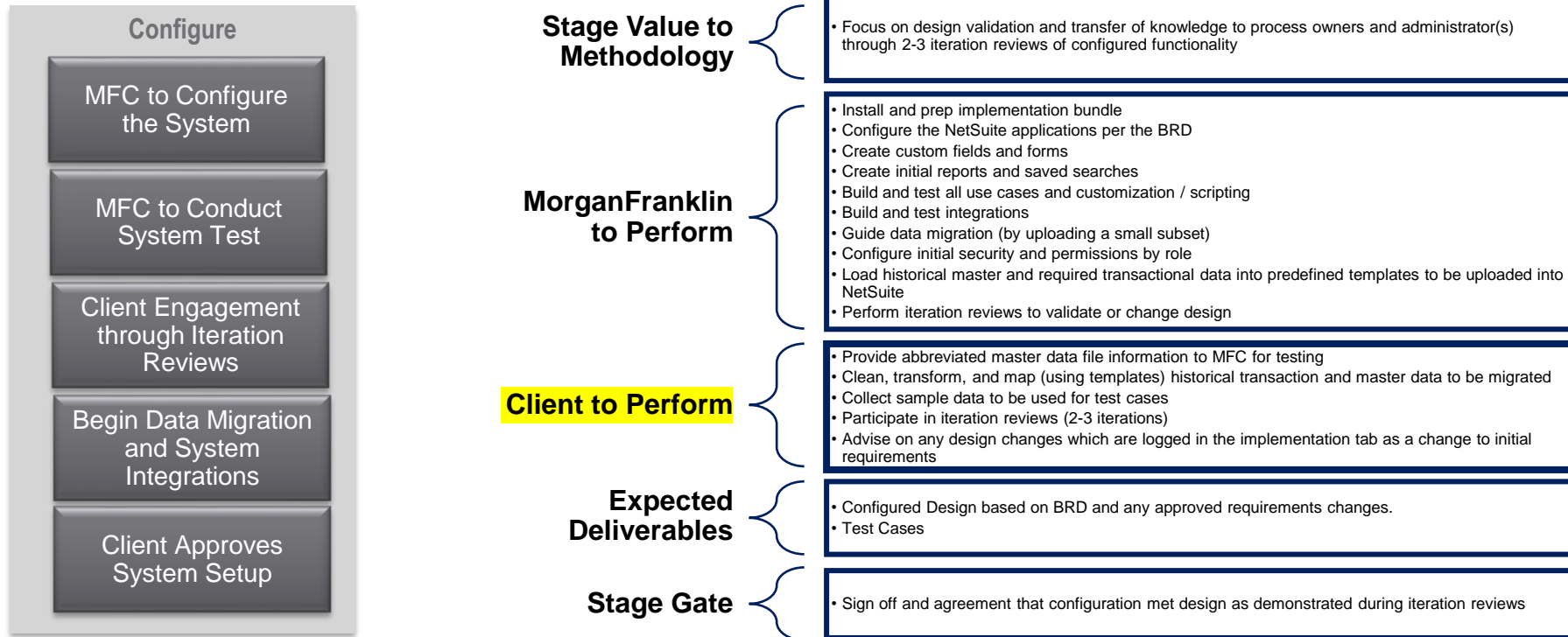




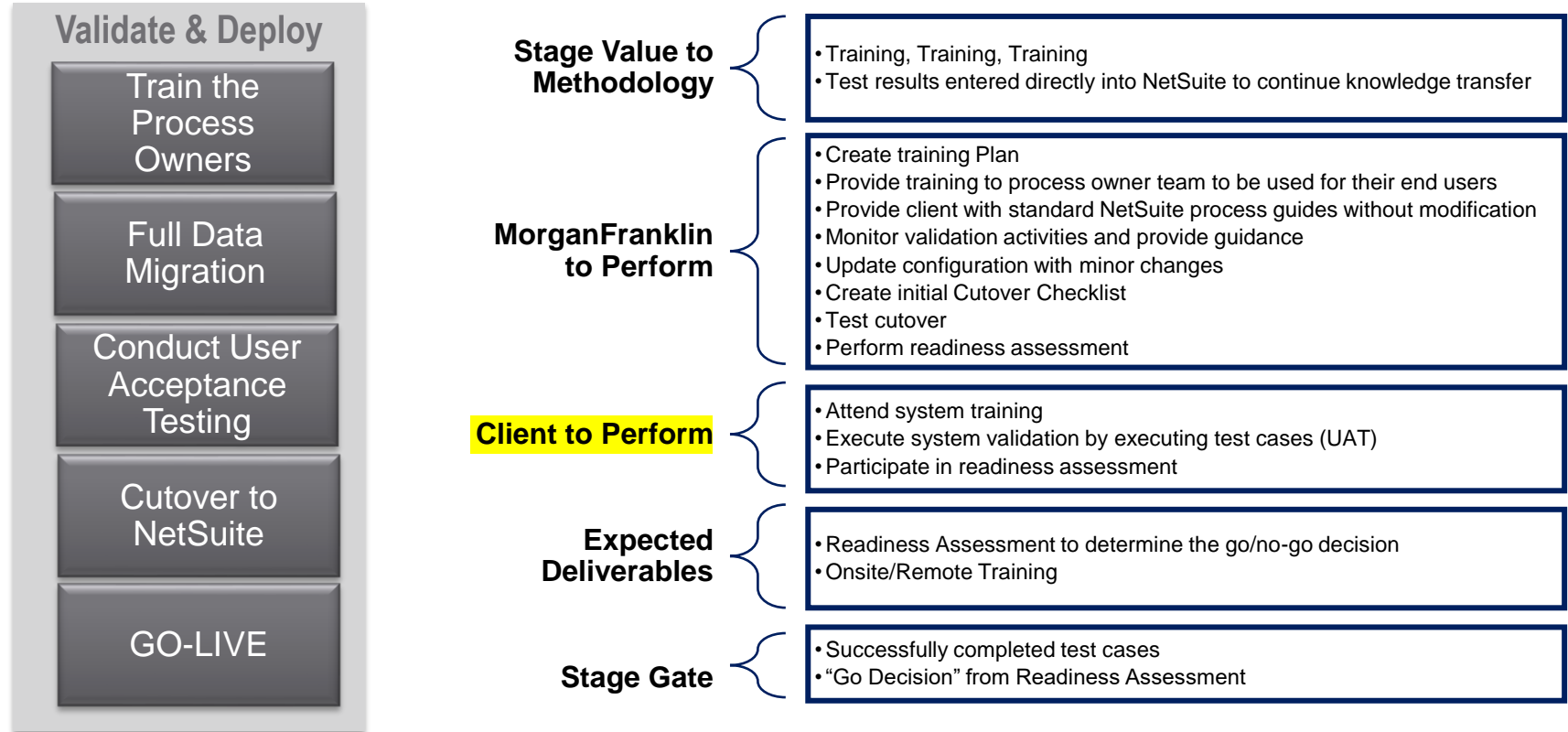
# Analyze & Design Phase



# Configure Phase



# Validate & Deploy Phase



# Confirm & Support Phase

## Confirm & Support

Post Go-live  
Support

Final Cutover  
Activities

Review Project  
Outcome

Project Close

Transition to  
Managed Services

### Stage Value to Methodology

- MorganFranklin provides additional training and support for ease of use and system tips and tricks
- Confirm client has 100% ownership of its system

### MorganFranklin to Perform

- Post Go-Live support
- Assistance with first month end close
- Review project outcomes / project close
- Final cutover activities
- Plan on-going process improvement
- Transition to Managed Services

### Client to Perform

- Assume full responsibility for the system
- Prioritize on-going process improvements
- Accept transition of Managed Services
- Attend project close meeting

### Expected Deliverables

- Project Close Report
- Managed Services Statement of Work

### Stage Gate

- Project Close Report approved
- Managed Services approval
- Transition to Managed Services

# Questions & Answers

*Use the Q & A Panel to send your questions to our panelists.*



**Fred Hargrove, CPA**  
Managing Director  
MorganFranklin Consulting



**Lisa VanPatten, CPA**  
Executive Director  
MorganFranklin Consulting



**Steve Shannon**  
Director  
Partnership Marketing,  
Business Development  
IMA

# Thank You to Our Featured Presenters!



**Fred Hargrove, CPA**  
**Managing Director**  
MorganFranklin Consulting



**Lisa VanPatten, CPA**  
**Executive Director**  
MorganFranklin Consulting

# Final Reminders

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