



ERP Transformation Playbook

Navigating the ERP lifecycle: From assessment to optimization



Introduction

At a time of rapidly changing customer demands, skyrocketing costs, unpredictable supply chains, and escalating security risk, today's executives need proven platforms that provide data-driven insights to maximize value for their organization. Some functions of an ERP that can enhance your strengths and help you realize your goals include:

- Unified data models that extend through all operations of your organization
- Generative AI-powered capabilities to boost productivity and provide decision-ready data
- Next-generation functionality to support established and emerging business models
- Scalable platform that can be customized to your growth and support needs
- Availability and maturity of ecosystems of related applications and capabilities

This playbook will highlight how such ERP systems can align with your business environment and address your pain points, ultimately helping you make an informed decision about your ERP strategy.



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Why Convert to a New ERP Platform?

Whether you are outgrowing your current ERP system or it is no longer being supported with regular updates and features, you want to make sure that your ERP provides you with the capabilities, integrations, and efficiencies that will help you optimize your operations, scale your resources, and stay ahead of your competitors. Implementation of ERP and ancillary technologies isn't always easy, but here are seven ways a new ERP can help your organization get the most value from your IT investments.

1. Align ERP and digital strategy

Converting to a new ERP platform provides an opportunity to align your organization's digital strategy and business objectives by embedding your systems into the organizational culture and processes. This becomes the foundation for your technology modernization, as it leads to data unification, process standardization, and scalability. This transition may require educating stakeholders, as embracing an ERP to transform your organization's operations and decision-making requires integrating it into your daily practices. Executive buy-in is critical to extend the implementation beyond technology, focusing on re-engineering business processes and comprehensive change management initiatives for employees. By doing so, your organization can achieve cross-functional integration, improved efficiency, and greater insights to deliver sustained growth.

2. Implement at your own pace

The steps you need to take as part of an ERP implementation benefit the entire organization and can be prioritized to deliver best practices and efficiencies where you have the largest gaps or highest need. Implementing a new ERP platform at a pace that works for your organization can significantly mitigate the disruption to day-to-day operations. Typical deployments can last between 6 to 18 months, depending on the company's size and complexity. A phased deployment approach, where your ERP is implemented by individual module or business function, allows organizations to better manage the process, understand challenges, and set realistic expectations for value. This incremental adoption also facilitates employee training and enables deployment teams to refine processes with each phase.

Another effective strategy is to deploy the ERP system incrementally by business location or site. Starting with a pilot site helps establish a reference point and a roadmap for subsequent rollouts, supporting smoother transitions across the organization. An outside advisor can further ease this transition by providing expertise and support throughout the implementation process, helping your organization achieve a successful and efficient ERP deployment.

Lastly, do not allow your vendors and implementers to dictate timelines you know are unrealistic. Make sure the service package is appropriate to what your organization can handle. The marketplace is littered with failed implementations that consume an entire project budget and timeline while leaving work output and progress incomplete. Your implementer may be able to complete the project in three months, but that doesn't mean your organization can handle the required effort as you can expect that your team will need to contribute more than 50 percent of the work. If your plan requires the implementer to spend significantly more hours on the project than your team, your timeline and plan should be reconsidered and revised.

3. Refocus key business processes

In an era where evolving customer preferences, market shifts, and new business models demand efficient operations and scalable support, upgrading your ERP system offers a prime opportunity to re-engineer important processes from the ground up. The goal is to redefine and streamline these processes to standardize operations across functional units and integrate advanced technologies that meet your needs now and in the future as your organization evolves.

It's critical to understand that merely applying new technology to old processes won't yield the desired results. This is the time to strategically rethink and redesign your business processes, combining them with new digital tools to truly transform your organization. You will want to make sure that members of your executive team support the proposed changes to how work is executed and by whom. Take the time to educate them and work through the scenarios that concern them if they continue to be hesitant. Leaders who advocate for change help determine the project's success and create a more capable business, while those who provide ongoing roadblocks cost an organization time, money, and missed business opportunities.

4. Maximize your data

Data is the lifeblood of your business, and ERP provides a centralized information platform and a single point of truth. But the insights you glean will only be as good as the underlying data.

You'll need to maximize the utility of your data with a strategy for cleaning, managing, storing, and archiving disparate types of information, as well as a comprehensive data governance program. Data must be interoperable across all relevant sources to achieve real insights into your business performance. If you are implementing a new ERP, make sure there is a post-go-live plan so you are set up to succeed in operating your new platform.

5. Make a customer-centric experience

One of the most powerful strengths of ERP is its ability to improve the customer experience. That's also a key driver – and an ideal outcome – of digital transformation.

An ERP can help you create a more personalized marketing approach, consolidating data to develop a unified view of customer information and align campaigns and communications to deliver on customer needs. Customers also benefit from improved communications and more efficient order management as a result of streamlined processes, consolidated data, and AI-enabled insights.

Business leaders have the opportunity to identify critical customer interactions and leverage digitized data to tailor the experience. This enables your team to refocus business processes with the customer at the center and combine the right technologies to create smooth interactions. Having your ERP integrated with your CRM and e-commerce solutions unites customer data and helps align inventory management, pricing, and supply-chain operations. Coordinating your outreach across channels based on a central data set helps eliminate poorly placed and redundant communications that can frustrate customers.

6. Train for change

Organizational change management is critical to successfully adopting an ERP system that is the underpinning of so many critical processes. To make sure that your teams are seeking ways to make an ERP adoption successful, and they have the confidence to move to a new system, you'll want to identify and eliminate barriers, encourage discovery of new use cases, and name implementation champions who can address questions. Frequent communications and a training program guided by the knowledge of your technology implementation advisors will provide the framework to effectively educate your employees on the processes and procedures for using new systems.

7. Level up in digital maturity

If your organization currently has a robust, well-integrated ERP system and well-managed data, you could be poised to build on that foundation and maximize your ERP investment by finding new use cases for leveraging additional features and solutions to manage costs and accelerate value. Creating or following a tailored technology roadmap enables you to prioritize your budget, resources, and technology appetite in alignment with the goals you want to achieve. Consider, for instance, those businesses that not only want to integrate finance automation into their ERP to programmatically capture, process, and pay invoices, but also to make them AI-ready so they can better extract business-critical information that can be parsed to better understand performance and profit.



Automate Processes and Get Real-Time Visibility into Operational and Financial Performance



Financial Management

Plan, budget, forecast, and analyze with tools that help manage your business needs.



Accounting

Transform your GL, optimize AR, automate AP, and get a complete view of cash flow.



Global Business Management

Manage multiple currencies, taxation rules, and reporting across geographies and subsidiaries.



Enterprise Performance Management

Connect planning, budgeting, forecasting, account reconciliation, financial close, and reporting processes.



Inventory Management

Automate inventory management, reduce handling costs, and optimize cash flow.



Order Management

Streamline order processing by eliminating manual challenges and error prevention.



Supply Chain

Make the process of moving goods and materials through your supply chain easier.



Warehouse & Fulfilment

Optimize warehouse operations and minimize handling costs by eliminating manual processes.



Procurement

Control spend and save time by centralizing and automating purchase processes.



Journey through the ERP Conversion Lifecycle

Every company's ERP implementation will look different in practice, but conversions generally follow these steps:

ERP Assessment Phase

Executives should start by evaluating their current ERP system's performance on metrics such as system uptime, transaction processing speed, and data accuracy. If you have frequent system downtimes during peak transaction periods, this could indicate a need for a more robust solution or optimization. Gathering user satisfaction data through surveys or interviews can also provide insights into the system's ease of use, functionality, and the quality of support provided. Difficulties in navigating the system or frequent errors in data entry are critical areas to address.

Next, identify your business's specific needs and pain points. Documenting current challenges, such as the lack of real-time data or reliance on manual processes, spotlights your current ERP's limitations. For instance, a manufacturing company might struggle with poor inventory data, leading to production delays. Considering future growth plans, such as expand into new markets or increase production capacity, can tell you if your ERP system is capable of supporting these strategic goals.

Performing a gap analysis is the final step in this phase. This involves comparing your current ERP system's capabilities with your business requirements to identify areas where the system falls short. For example, if your current ERP lacks advanced reporting capabilities needed for regulatory compliance, bridging this gap should be a priority.

About NetSuite ERP

NetSuite, a leading cloud-based ERP solution, offers comprehensive functionality, scalability, and flexibility. It's designed to support growing businesses by providing real-time visibility, streamlined operations, and advanced analytics.

ERP Selection Phase

By following a structured approach, executives can identify what is important to them when selecting an ERP system that aligns with their business goals and addresses their pain points effectively. IT and business leaders can then research, assess, and identify the best match for their organization, or bring in a technology advisor with a methodology that enables them to make tailored recommendations for you to consider.

Critical questions to address when selecting an ERP platform include:

1. What are your goals and objectives?

Define what you need to achieve with the ERP conversion, such as improved efficiency, better data management, or enhanced reporting capabilities.

2. What are your current pain points?

Identify the specific issues and inefficiencies in your current system that you need to address with the new ERP.

3. Do you have the necessary in-house expertise?

Assess whether your current team has the required skills and experience. Evaluate potential downsides of handling an ERP conversion internally, such as seconded resources or a workforce juggling priorities, risk of errors, and lack of specialized knowledge.

4. What is the scope of the project?

Define the project's complexity and scale and identify potential risks to determine if you can convert to a new ERP with internal resources, or whether external expertise is needed.

5. How will this impact our business processes?

Assess how the new ERP system will affect your existing workflows and whether any processes need to be re-engineered.

6. What data needs to be converted?

Decide which historical data is essential to transfer to the new system and how to handle data migration.

7. What AI-enabled capabilities does it have?

By integrating AI, ERPs can predict trends, optimize operations, and provide actionable insights, leading to more informed and strategic business decisions. AI-driven automation reduces manual tasks, minimizes errors, and increases efficiency, allowing employees to focus on higher-value activities.

8. How is automation incorporated?

Look for an ERP that automates processes via workflows, robotic process automation (RPA), and AI-driven tools that can learn and adapt to business processes, establishing seamless and efficient operations across the organization.

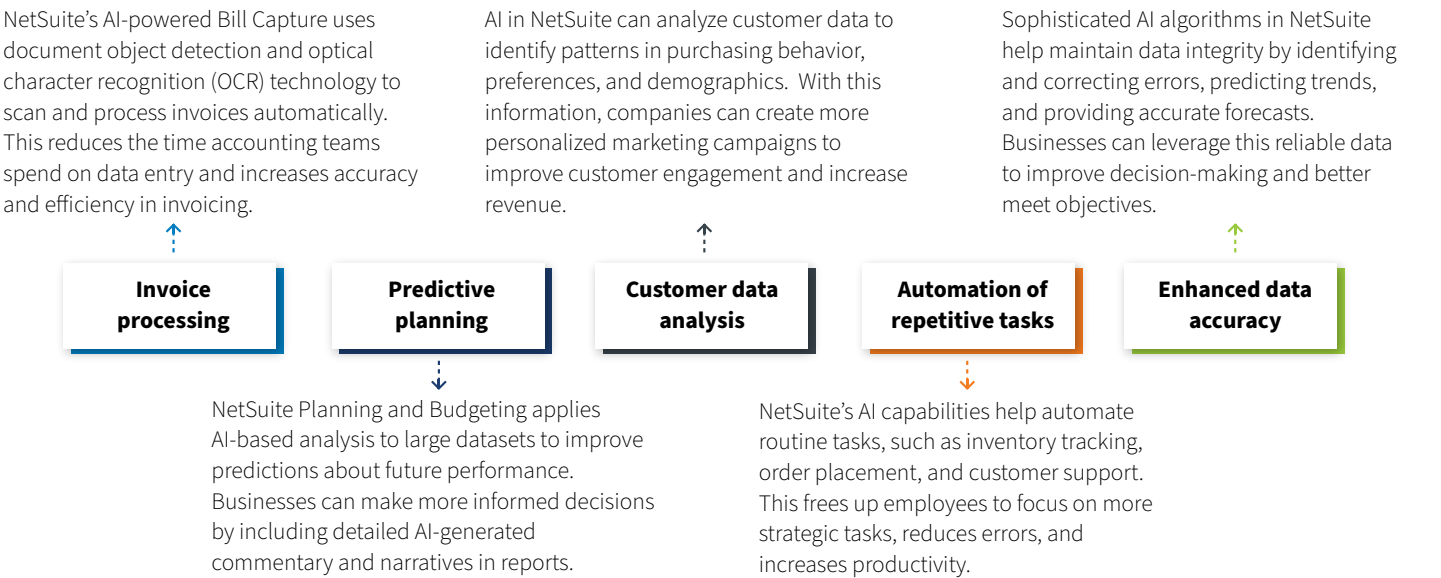
Once you have asked yourself these core questions and gathered your requirements, it is crucial to align your ERP system with key business processes so it meets both current and future needs. At first pass, make sure you understand the following about platforms you intend to evaluate.

- **Scalability and flexibility:** For instance, a fast-growing tech startup might need an ERP system that can easily scale to accommodate an increasing number of users and transactions. As the company expands, the ERP system needs to be able to handle the additional load without compromising performance.
- **Cost efficiency:** Businesses need to consider the total cost of ownership (TCO) of their ERP system, which includes not just the initial implementation costs but also ongoing maintenance, support, and upgrade expenses. For example, a mid-sized manufacturing firm might choose a cloud-based ERP solution to reduce the need for expensive on-premises hardware and IT staff, thereby lowering overall costs.
- **User experience:** An ERP system that is intuitive and easy to use can significantly enhance productivity and user satisfaction. For instance, a retail company might implement an ERP system with a user-friendly interface and mobile accessibility, allowing employees to access critical information and perform tasks from anywhere, thus improving efficiency and responsiveness.
- **Compliance and security:** These are essential criteria, especially for businesses operating in highly regulated industries. An ERP system must help ensure that the company meets all regulatory requirements and protects sensitive data. For example, a healthcare provider might need an ERP system with robust security features and compliance with healthcare regulations like HIPAA, confirming patient data is secure and regulatory standards are met.
- **Innovation and future-proofing:** Businesses should look for ERP systems that incorporate the latest technologies, such as AI and machine learning (ML), to drive innovation. For instance, a logistics company might use an ERP system with AI capabilities to optimize route planning and reduce delivery times, thereby enhancing customer satisfaction and operational efficiency.

By focusing on these key themes, businesses can help ensure their ERP system not only addresses current pain points but also supports long-term strategic goals, providing a solid foundation for future growth and success.

About NetSuite's Features

What features will most benefit your business? Here are some examples of how NetSuite's advanced features, including automation and AI capabilities, can enhance business operations:



ERP Implementation Phase

Having a clear roadmap for ERP implementation will be the first step in making your transformation happen. While each ERP journey is different, most organizations that have successfully undergone this transformation pass through the following eight checkpoints.

- 1. Have a champion.** Successful ERP implementation – and the post-implementation process – requires sustained commitment throughout the enterprise. Having a C-level champion will help ensure that the undertaking receives the long-term attention it needs.
- 2. Communicate and educate.** Major company initiatives almost always are accompanied by uncertainty and speculation that can coalesce into speed bumps and roadblocks. This particularly can be the case with ERP implementation, which calls for a new approach to how work is done across the organization. Proactively counter skepticism and resistance with transparency and education to build buy-in.
- 3. Allocate adequate support resources.** An ERP implementation isn't simply a large IT project – it requires functions throughout the organization to closely examine their processes and how those processes can be improved or adapted in the new ERP. As the various elements of company workflow are developed on the ERP platform, they must be subjected to iterative testing and feedback by the people who will be using them. Free up the time and energy needed for these important tasks by bringing in temporary staff or redistributing workload to handle routine operational matters.
- 4. Build implementation teams with depth and breadth.** The heavy upfront work of ERP implementation takes place in the teams assigned to examine the workflow and processes of the various functions. Make sure that the teams include a wide range of perspectives and that there is a team for each function that has a part in operations and back-office support.
- 5. Monitor involvement.** In the crush of client engagements, it's easy for testing ERP modules and providing feedback to be relegated to the back burner. Measuring and publicizing how each team is progressing with these tasks keeps them high on everyone's agenda.
- 6. Celebrate wins as they happen.** An operational ERP platform is comprised of a network of individual elements. When a process that, for example, streamlines invoicing and eliminates the need for manual double entry has been finalized, communicate that milestone across the organization. Don't make people wait until launch to see the fruits of their labors.
- 7. Customize your rollout strategy.** ERP rollout schedules can be as flexible as the ERP platform itself. Rollout can be staggered across functions and scheduled at any point in the calendar. Structure the rollout to fit the workflow cycles of the individual organization.
- 8. Upgrade your culture.** Replacing ad hoc processes with an ERP system represents a higher level of sophistication and professionalization in how the company conducts its business. Management should use this opportunity to re-examine the firm's culture and brand to make sure they reflect the elevated standards that have been embraced.

ERP Optimization Phase

The optimization phase is essential for making sure that the ERP system continues to deliver value long after its initial implementation. This phase begins with a post-implementation review, where performance metrics are analyzed to assess the system's effectiveness. Gathering user feedback through surveys or focus groups can also provide valuable insights into any ongoing issues or areas for enhancement.

Continuous improvement is a key component of the optimization phase. Regular system audits should be conducted to identify any inefficiencies or enhancement opportunities. Securing the integration of point solutions is also critical. Point solutions are specialized applications designed to handle specific business functions, such as a customer relationship management (CRM) system to enhance data management and improve sales forecasting. Integrating these solutions with your ERP system can significantly extend its capabilities. This integration helps ensure that all business processes are seamlessly connected, providing a holistic view of operations and enabling more efficient workflows.

Engaging a technology managed services provider is one approach to help you optimize your ERP technology to improve communication throughout your company and maximize the efficiencies of your workforce, regardless of size, and without the need for additional employees. Helping maximize your tech investments as an extension of your team, a managed service provider can provide continuous support and proactive maintenance so that your ERP system remains up to date and aligned with your business goals. This allows your internal team to focus on strategic initiatives while the managed service provider handles the technical complexities, ultimately driving better business outcomes and enhancing overall productivity.

CohnReznick Closer Look



Integrate technologies and re-engineer processes

An up-to-date ERP solution can enable companies to make informed decisions and agilely respond to market conditions. We help organizations with the implementation or upgrade of ERP to support business digital strategy, develop a leading-edge technology platform that integrates systems and standardizes data, and re-engineer and streamline operational processes across functional units.



Accelerate cloud adoption

While most companies are still using on-premises solutions, adoption of cloud-based systems is catching up. Cloud-based ERP is scalable, cost-effective, and offers strong cybersecurity safeguards. We help organizations seize the opportunity to move applications to the cloud.



Business-focused operating efficiencies

Despite the potential advantages, many organizations do not see ERP implementation as a strategic solution or a means of competitive differentiation. Instead, they view ERP implementation as an IT cost. We take a business-first approach that focuses on driving efficiency, reducing complexity, and strengthening collaboration.

Optimizing your NetSuite ERP

CohnReznick's technology specialists work directly with business stakeholders, subject matter experts, and users to understand their challenges and needs. Through this unique insight, coupled with our in-depth knowledge of effective business operations for an array of industries, we can help execute on a vast range of technical solutions.

For companies using or interested in converting to NetSuite, our NetSuite managed services team plays a crucial role for maintenance and during the optimization phase of ERP implementation by helping ensure that your system operates at peak efficiency. Our team can help you with services including:

Fine-tuning your ERP system to align with evolving business processes and goals

Helping improve business processes, prepare and manage data, and provide systems support

Providing continuous monitoring, performance tuning, and proactive maintenance to address issues before they impact operations

Identifying and integrating point solutions or add-on services for specific functions

Our ongoing guidance helps your organization leverage NetSuite's advanced features and functionalities to drive productivity and streamline workflows.





Conclusion

This playbook provides executives with a structured approach to evaluate their current ERP systems and consider transitioning to a more advanced solution. By following the phases of assessment, selection, implementation, and optimization, businesses can help ensure their ERP system aligns with their strategic goals and addresses their unique challenges.

Key takeaways include the importance of understanding current system performance, identifying specific business needs, and leveraging advanced features to drive continuous improvement.

Next Steps for Executives

- **Initiate the assessment:** Begin by thoroughly evaluating your current ERP system and identifying specific business needs and pain points.
- **Engage stakeholders:** Involve key stakeholders from various departments to gather comprehensive insights and make sure their needs are considered.
- **Research and select:** Conduct detailed market research and follow a structured selection process to choose the most suitable ERP solution.
- **Plan implementation:** Develop a detailed implementation plan, allocate resources, and prepare for data migration and system configuration.
- **Focus on training:** Make sure that comprehensive training programs are in place to facilitate a smooth transition and user adoption.
- **Optimize continuously:** Regularly review and optimize the ERP system to confirm it continues to meet evolving business needs and leverages new technologies.

By following these steps, executives can drive successful ERP transformations that enhance operational efficiency, support strategic growth, and provide a solid foundation for future success.



CohnReznick's tailored ERP services

Transitioning to a modern ERP system is a complex process that requires careful planning and execution. Our customized business services provide the knowledge and support necessary to navigate this transition smoothly and enable long-term success.

CohnReznick's industry knowledge and firmwide resources align your technology solutions with your organizational goals to drive better outcomes. We work collaboratively with companies to provide:

Comprehensive assessment

We begin by conducting a thorough assessment of your current ERP system and business processes. This includes understanding your unique needs, challenges, and goals and which ERP can best address them. We also identify potential risks and develop strategies for mitigating them.

Customized implementation strategy

We develop a detailed transition plan tailored to your organization. This plan covers all aspects of the migration, including data migration, system integration and optimization, and employee training, to minimize disruption and facilitate a seamless transition.

Change management and training

We provide comprehensive change management services, including training programs for your staff. This enables your team to use the new system effectively, minimizing disruptions and maximizing productivity.

Long-term engagement and ongoing support

Our commitment doesn't end with your ERP implementation. We provide ongoing support to address issues that may arise, offer training to help ensure your team is proficient with the new system, and continually optimize the system to meet evolving business needs.



About CohnReznick

As a leading advisory, assurance, and tax firm, CohnReznick helps forward-thinking organizations achieve their vision by optimizing performance, maximizing value, and managing risk. Clients benefit from the right team with the right capabilities; proven processes customized to their individual needs; and leaders with vital industry knowledge and relationships. With offices nationwide, the firm serves organizations around the world as an independent member of Nexia. **For more information, visit www.cohnreznick.com.**

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