Is your business management system working?

When you have invested time and money into technology to run your business better and it doesn't have the positive effect you were counting on, it can feel like a negative investment. But it isn't.

Lionel De Oliveira of Seidor

There are some key steps that should be part of the preparation process before you implement a business management or Enterprise Resource Planning (ERP) system.

If you make the time to take yourself through this process; it's a guarantee that you will land up building the system that works for both your team and your business.

Lionel De Oliveira of Seidor lists five of the most common business practices to avoid:

1. Not having a change management plan in place for the migration to the new system.
2. Not educating and informing employees about the change and how it will benefit them.
3. A lack of sufficient training plans to upskill the users.
4. Not having an internal project champion to drive the project from a client perspective.
5. Basing the implementation on top management information only, without consulting the day-to-day operational staff about their challenges.

Some of the key complaints unhappy SMEs often have after upgrading from an accounting system to what they thought would be an effective integrated business management system, are a lack of integration between departments, unsatisfactory audit findings, problems with governance, risk and compliance management, e.g. meeting IFRS or ISO standards and not having access to live information.

What to do to avoid some of these frustrations

De Oliveira says that businesses should follow the process below in partnership with a trusted specialist:

1. Set the goals/ objectives of the implementation (i.e. identify the

2. business problems you want to solve).
3. Define the scope and team for the system implementation.
4. Brainstorm internally and evaluate the options available to your company.
5. Determine what data migration needs to take place (i.e. balances or transactional data).
6. Assess the infrastructure and business environment / have it assessed.
7. Find out if you need customisation of your management system and determine potential risks and support needed if you do need customisation.
8. Have a change management plan in place from the start.
9. Ensure that technology and knowledge transfer takes place across departments and between different staff levels.
10. Set up user acceptance testing and effective project management.
11. Make sure you have support when you go live with the new system as well as project closure support afterwards.

"Unfortunately, some businesses do not take care of all these points in an attempt to cut costs. Others act in panic mode and drive their business to fast-track an implementation, but it is very risky to try getting a quick-fix solution to a long-standing business pain," De Oliveira warned.

"The scoping needs to be as thorough as possible and no stone should be left unturned in exploring where the gaps are before you embark on the implementation of a new business management system. It certainly is worthwhile to work with a service provider who takes the time to really get to know your business."

As an example of a business which had less than stellar results following the adoption of an ERP system, he recalls the disappointment of a company which has been in the food manufacturing industry for more than 20 years and is one of the largest of its type in Africa.

They were using what is still commonly referred to as an AS400 system and the lack of integration between departments created an unreliable environment where they had a very large staff complement who had to rely on emails for all information sharing. This was not conducive to business longevity.

Communication dependant on staff through email left the business at risk and information getting lost or missed left the business acting reactively which affected the overall throughput and performance. De Oliveira said that if they had investigated options with regards to automation between the departments sooner rather than later and leveraged what technology has to offer, the business would have been able to mitigate a lot of the risk and disconnect between departments.

Last but not least, De Oliveira points out the importance of updates and maintenance. Once a new business management system is up and running, there have to be regular vendor software updates.

"Maintenance must also be periodically performed as an aspect of ongoing support, which helps ensure a smooth, functioning solution. This should be covered before getting involved with any vendor," said De Oliveira.

Even good systems can fail you when it is not set up and maintained properly to adapt to changing needs. With the help and expert advice of a trusted technology partner, you can avoid frustrating mistakes and make sure your business is set to manage every aspect of its growth effectively.

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