



**Benchmarking  
Partners**

# **Ten “Go Live” Surprises**

**Findings from a Post-Implementation  
Research Study of 62 Companies**

Companies that have implemented ERP packages have encountered some unexpected surprises upon “go-live.” Benchmarking Partners conducted a study (sponsored by Deloitte & Touche Consulting Group) of 164 decision-makers at 62 North American manufacturing companies who were live with at least one ERP installation. Each respondent represented one of three perspectives: executive (e.g., COO), user (e.g., senior VP of Operations) or implementer (e.g., project director).

This report summarizes 10 major surprises that we found companies experienced when they went live with their ERP solution.

## **1. Your KPIs plummet and need to be rescued**

"We've seen a 'nose-dive' in business performance with our go-lives."

--User, High Tech Industry

The new ERP system was supposed to boost business performance (often measured by key performance indicators, or KPIs). Instead, many companies in the Benchmarking Partners study experienced unexpected temporary dips in business performance immediately after go-live. These performance problems affected key areas of the business, including customer service and inventory management.

## **2. It gets worse before it gets better - anticipate 9 months of total anarchy**

"Immediately after going live, each site goes through terrible problems attempting to sort through information and data. They don't know where to go for information; they don't believe the data; they don't know how to get the work done. It's a stage of confusion."

--User, Process Industry

Implementing an ERP solution disrupts the equilibrium of the company, creating an environment of chaos during the first few months after go-live. During this period, people try to learn the new system, find the information they need, deal with reduced levels of business performance, minimize impact on their customers, and work to keep the system from crashing. Insufficient reporting capabilities was a common complaint among companies. These companies found that reports did not have the information they needed, were difficult to retrieve and did not meet expectations. Our research found that this period typically lasts from three to nine months.

"We've struggled with the reality of what it does versus our original perception of what it could do."

-- User, High Tech Industry

### **3. Software expectations aren't fully met**

Some companies found that some of the promised functionality didn't materialize on go-live, but it was built into their plan. Upon go-live, these companies faced missing functionality and unplanned functionality gaps. "The software did not do everything it was supposed to," said an implementer from the High Tech industry.

"For additional functionality, we will look to [our ERP vendor] wherever possible."

--Implementer, Process Industry

### **4. You are now an ERP hostage**

While the new ERP solution provides new capabilities and options, it also imposes some constraints. Decisions about new functionality will need to be made within the constraints of the ERP system's new foundation. In an effort to minimize interfaces, management is delaying purchases of add-ons such as planning and scheduling or data warehousing, waiting for the ERP vendor to materialize the software they announced.

"The first couple of go-live months people are in a trance. The people involved in a recent implementation felt as if they'd had their heart ripped out. Everything changed. After 3 months, they will move from denial to anger as they move away from their initial trance-like states."  
– User, High Tech Industry

### **5. People are angry, confused and highly irritable**

When a new ERP system is first installed, users actively resist the changes and try to continue doing their jobs the old, comfortable way. Companies found that users experienced all of the emotions that go along with a major cultural change—fear, excitement, anger, loss, frustration. At the same time, many were dealing with the fact that their business performance just nose-dived and they didn't have the information they needed to respond effectively to customer demands.

"It's difficult for people to grasp the degree of discipline that's required on a daily basis. It's also difficult to grasp the concept of integration: that their actions have an immediate impact on downstream operations."

–Implementer, High Tech Industry

### **6. You discover that discipline is king**

ERP applications are unforgiving. The system forces some changes—processes are different and greater discipline is required to input accurate information from the start. For many organizations, it became obvious that discipline had not been rigorous in the past, but that the new system would not tolerate sloppiness or "I'll fix it later" attitudes.

## **7. You think you know who owns the benefits - you don't**

While 43% of companies believed that the business units (users) were responsible for realizing the expected benefits, only 5% said the business units had signed off on the benefits to be achieved.

Benefits ownership is often unclear and contentious. At many companies, identifying who in the company was responsible for realizing the expected benefits of the ERP implementation was a challenge. Some companies believed that responsibility for getting the benefits was never clearly defined. Others said that while ownership may have been defined, getting the responsible parties to focus on realizing the benefits posed an obstacle.

## **8. You've "reengineered" whether you planned to or not**

"There was no BPR before the implementation. The software's integration has 'forced changes.' "  
-- Implementer, Automotive Industry

Major changes in the workplace will be both forced and enabled by the ERP package, and roles and skills will need to change. Some companies intended to keep existing, comfortable processes initially and reengineer later, but then found that the processes had to change to suit the ERP system. Reengineering took place because there's been a change in how people will work. For many, the change was forced upon them, and it was a change they didn't anticipate.

## **9. People immediately forget everything they learned in training**

"Users often circumvent reengineered processes to be able to stick with the comfort of old systems and processes."  
-- User, Process Industry

Many companies were struck by the disconnect between the training employed and the knowledge people needed to work effectively with the new ERP system. Training may have been provided too early, or there was not enough, or the wrong training was provided. The sheer volume of training overwhelmed some users, while others said a lack of training about the context of the new capability from a business standpoint added to the confusion.

## **10. Your entire project team is resigning en masse**

Project team members are heavily recruited, at a time when the project is winding down and it is not always clear what the next step will be.

The go-live date is not the end of the project, although many team members act like it is. Many companies had resource retention strategies that ended at the go-live date, and they started losing team members at that point. Retention of staff was hard because of external recruitment and the differing needs of project team members. Some members wanted to return to their previous work (which may or may not be available to them), others now thought their previous work boring and were looking for the next big (and visible) project, and still others were suffering from "burn-out." Bonus schemes tied to go-live did nothing to retain these valuable team members going forward, a time just as critical as during the implementation.

### **Conclusion**

The period of time immediately after going live is challenging at best. Taking away the surprise factor can go a long way towards reducing any negative impacts from this major upheaval in your organization. Actions and best practices that eliminate or reduce the surprises can take you the next step toward accelerating your time to benefit capture.



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