

## **ERP Failure Lesson #2: The Crystal Ball – Claims in Failed Large Systems and Software Projects – Transcript** © 2015-2016 by Warren S. Reid All Rights Reserved

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Hello, my name is Warren Reid. In the introduction to this video series, I promised to tell you what to expect if you end up in litigation and help you determine if your case is strong or weak. Following is an excerpt from our list of claims and charges I've seen in more than 100 large system failures worldwide that continue to appear year after year and case after case. First I'll show you what the customer/client claims, and then the SI/consultant/vendor's responses and its counter-claims. Here we go!

### **1. The System Doesn't Work**

Customer/Client says: System doesn't work; it's not what we needed/wanted! Doesn't meet business expectations/our goals.

Integrator says: System meets approved and agreed-to Functional & Tech requirements. We demoed it to you - the RTM proves that requirements can be traced back and forth to the design, code, tests and documentation. Your stakeholder expectations were not aligned.

### **2. Limited Functionality**

Customer/Client says: You delivered limited functionality – features and functions are missing. System not real-time. Performance is unproven. "-abilities" not met. (Main-, relia-, recovery-, security-) Business case not achieved.

Integrator says: The functionality only appears limited because of your scope creep turned to gallop turned to stampede constantly changed and enlarged the scope, overwhelming the Change Control Board's capability. Keep in mind, changing 2%/mos. theoretically = 100% change in 4 years. It is supremely difficult to deliver on such a moving target. Eventually, you ignored the approved change control process all together.

### **3. Failed in the Field**

Customer/Client says: System failed in field: We continue to experience excessive overtime, ongoing loss of reputation, customers, and revenue post G-L; we are hit with large fines for failing to pass federal regulations, and much more.

Integrator says: The System won't work without your Business Processes being Re-engineered and your Organization changed to properly use and manage it. That was YOUR responsibility, not ours.

### **4. Bad Training**

Customer/Client says: Training was bad, wrong, late. Not tailored to our new End-to-End business processes, lacking real converted data. No refresher training. Training takeaways were poor and the "application sandboxes" for trainees to get hands-on practice were broken.

Integrator says: Customer people WEREN'T trained. Promised super-users and managers didn't show up to special training environment setup with computers for each attendee. Those who did left for emergencies and never came back. Training was in addition to their normal work.

## **5. Will Never Work**

Customer/Client says: System will never work – It's fatally flawed. – Your System tests showed excessive errors caused by requirements, design, and coding issues. You provided no automated regress testing in project or turnover to maintenance.

Integrator says: We need only "2-3 more months" (without any basis), but YOU must fix inaccurate interface definitions and converted data which is still uncleansed, unverified, and missing - causing errors.

## **6. Bait & Switch**

Customer/Client says: You did a bait and switch; Your "A-team" never showed; many of the people you provided were unskilled for their tasks, arrived late, were unavailable full-time.

Integrator says: YOUR promised resources unavailable – they had limited business knowledge; were not decision makers; and had different goals for the system.

## **7. Promised Methodology Abandoned**

Customer/Client says: YOU abandoned leading, promised methodology – deviating without alerting us to the risks; gave us poor advice, leadership. You gave us rosier-than-actual progress reports so none of us ever knew where the project really stood. You approved Go-Live when we weren't ready.

Integrator says: YOU told us to meet your arbitrary Go-Live date. You refused to defer anything. You put dollar savings ahead of risk. YOU shortcut requirements development, testing, training, data conversion, interfaces. You prevented us from following promised methodology.

## **Where Do You Stand?**

The lesson here is for you to analyze each of the claims above and see where you stand and where you may have contributed to the failure. All parties contribute, but typically one makes or forces the decision that will eventually doom the project. Know where you stand!

We are here to help. More information about WSR Consulting Group, LLC, is available at <http://wsrcg.com>

Questions or comments?

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