

ERP Failure #4: Known Risks Before Your Project Starts *Transcript* ©

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All large projects typically run into the same risks. If you know them, you can address them before they become real problems and increase your chances of project and systems success. I have organized these “Risks Known Before the Project Starts” into six Categories.

1) People Risks

- a. All long projects experience turnover. Promised “A-teams” may never show up. Identify how these people will be replaced and who signs off on them.
- b. Top Management commitment and an executive Project Champion should be assigned to keep enthusiasm up and the fear of change/job loss down.
- c. In a sense, Customer and Integrator become partners. Accordingly, they must learn each other’s strengths and weaknesses to create the best strategy, team, and project support. Thus, the Customer must perform thoughtful reference checks. Attend User Group meetings. Do a site visit to a reference. How similar is the scope, industry, purpose of the referenced system to yours? Conversely, what are the capabilities of the customer’s team members?

2) Requirements Risks

- a. Users may only know their 20-year-old legacy system. Show them, educate them on what’s now available.
- b. Beware of incomplete, unclear, incorrect, and inconsistent requirements.
- c. As customer learns more, it will be tempted to want more. Manage scope creep with updated Conference Room Pilots, hands-on demos and prototypes.
- d. Typical difficulties in conducting requirements analysis include: business analysts not prepared, customer has no time/interest, incorrect customer personnel involved, insufficient time allotted in project schedule.
- e. Conversely, Integrator’s team may lack experience in requirements elicitation, JAD, prototyping, system configuration, domain and implementation.

3) Technology Risks

- a. New tech takes longer to test and implement than old tech. Today’s new tech includes: web-based, mobile, cloud, analytics, and Industry-based ERPs.
- b. Security and privacy are big issues. Address data correctness, integrity, availability, and accessibility.
- c. What automated tools are available? Has Integrator used them successfully before? Is the tool mature? What training is required? Pick the right tools for you and your project.

4) Project Risks

- a. Stakeholders will have different expectations. How will you identify the differences? How will you bring them all together? (Customer execs, department

heads, users, internal IT, integrators, consultants, attorneys, QA/QC/IV&V, supply and distribution chain partners).

- b. Project leadership (SIPM) is not clear. Who is responsible for bringing all parts of the system up and running together?
- c. “Rosier than actual” progress reporting. No proper capturing of progress, quality and productivity metrics to identify real progress, Estimates-to-Complete, and Critical Path failures.

5) Process Risks

- a. Project is underestimated, mis-estimated, based on wrong or changing assumptions, and not updated over time.
- b. Wrong SDLC selected: Waterfall, Agile, Incremental, Spiral, Scrum.
- c. A proper Change Control Board, Project Steering Committee, and PMO staffed with the right people must approve changes, project direction and critical questions decisively and quickly.
- d. Not enough time scheduled for testing and repairs.
- e. Shortcuts in SDLC are taken to try to stay on schedule.

6) Product Risks

- a. Performance, tested-ness, and SYSTEM readiness [hardware, software, Business Process Re-engineering and Organization Change Management recommendations. Solid training, help desk readiness, maintenance and ops readiness].
- b. “-Abilities” are not proven, including Scale-, Use-, Flex-, Port-, Recover-, Maintain-, Test-, Secure-, etc.
- c. Competent hand-over of materials including Regression Testing Suite and updated/accurate RTM to maintenance groups.
- d. Outside risks include: Competition, economy, war, regulations.

Now that you know what the risks and pain points are, identify what will transform the potential risks into real project challenges. Identify processes and assign specific responsibilities for monitoring, avoiding, managing, deferring and/or mitigating the impact of these risks on your project. Good luck!

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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