



Enterprise Resource Planning (ERP) / Electronic Data Interchange (EDI)
 Supply Chain Vendor Compliance
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Since January 1996

Are ERP project successes exaggerated?

People overstate and exaggerate all of the time. It is done innocuously without ill intent. I admit I have difficulty with quantitative measurements such as length, weight, temperature, and distance so asking me my opinions on those matters should be taken with a grain (okay, I know how much that measurement is) of salt. When asked how far or how fast, I am likely to unknowingly over-state or under-estimate.

(And yet as a fencer, I have very little problem with effectively using distance to my opponent offensively and defensively. Just don't ask me the length of that distance!)

Exaggerations – when done innocently – are, I think, just a natural part of the human condition. Exaggerations can also be done depending upon the basis for comparison. For example, based on research by the University of Pennsylvania School of Nursing, senior citizens (e.g. 75 years and older) with chronic illnesses are generally rating their health as excellent or very good. The study researchers were curious about this discovery. The respondents informed that as long as they were able to do what they liked and enjoyed, even with their illnesses, they considered their health to be “good” or better. Within the context of their age and their ability, the study participant’s responses were not quite exaggerations but need to be framed within their overall state of being.

However, when they are done with a directed and nefarious purpose, exaggerations are really more appropriately branded as intentful misdirections or, more directly, lies.

There was an interesting sidebar article in the March 2019 issue of Inbound Logistics magazine that caught my attention. Titled “ERP Drives ROI”, the very short piece presented statistics on the success rate of ERP implementations. (Given that one of my core specialty areas is Enterprise Resource Planning – ERP – systems, I was particularly drawn to this information.)

The article noted that 67% of responding manufacturers and distributors rated their ERP implementations as successful or very successful over other answers such as partially successful, not very successful, and failed.

The article stated what should be obvious reasons for success: people, processes (which I take to mean having defined processes), and having top management support.

Likewise, the article stated what should be obvious reasons for failures: inadequate business processes and lack of project planning.

But the article also noted that inasmuch as many ERP projects meet their budget and timeframe goals, success expectations may be exaggerated. At the end of the project, when the budget has been expired and the timeframe has been reached, top management may exaggerate ERP success by reframing the initial expectation, e.g. leaving out functionality that was supposed to be initially implemented as part of the original go-live plan. So, can the ERP project really be considered a success if less was implemented for the same budgeted amount and the same original timeframe?

Why would executives, and even middle management, exaggerate in this manner? Two answers come to my mind, given that I have witnessed this first-hand on numerous occasions: pride and politics.

In the twenty ERP and financial systems projects I have been involved in, I have witnessed numerous project failures (such as timeframe overruns, go-live failures, and budget excesses) due to the reasons stated in the article, but also due to pride and politics of the actors involved. Large-scale projects are no time for protecting head count, creating siloed departments, favoring an unqualified vendor, or resisting change.

Certainly, it is tough on the ego to admit defeat, but truth is better than lies. When exaggerations become egregious to the point where they are no longer innocent extremes, you have compromised your morals, values, principles, and ethics.

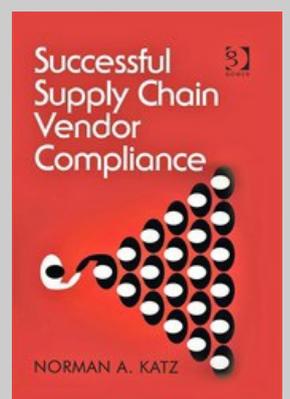
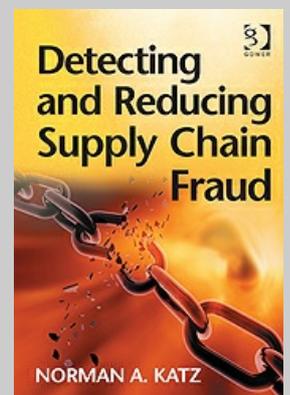


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I know that executive management has to sometimes act as the cheerleader to rally the troops. But staff are smart, and they will quickly begin to know when exaggerations have turned to excrement. This affects company morale and senior management credibility. My message to senior management is to prepare for project success from the beginning.

Instead of risking the success of an ERP project from the outset, ensure that you take all of the necessary precautions to be successful from the start. Don't exaggerate about the project team you think you have; be honest about the help you need at the get-go so you'll have a better chance of fulfilling your promises at the end.

Thanks for reading.

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