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## IT Lifecycle Management

Frank Bergmann, 2005-09-19

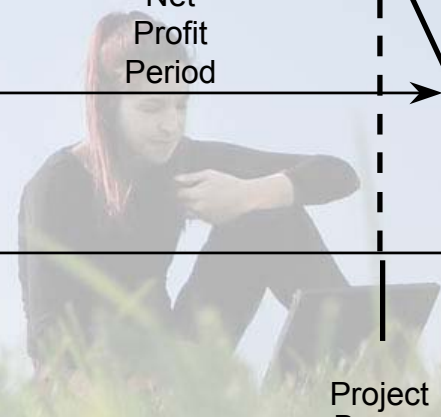
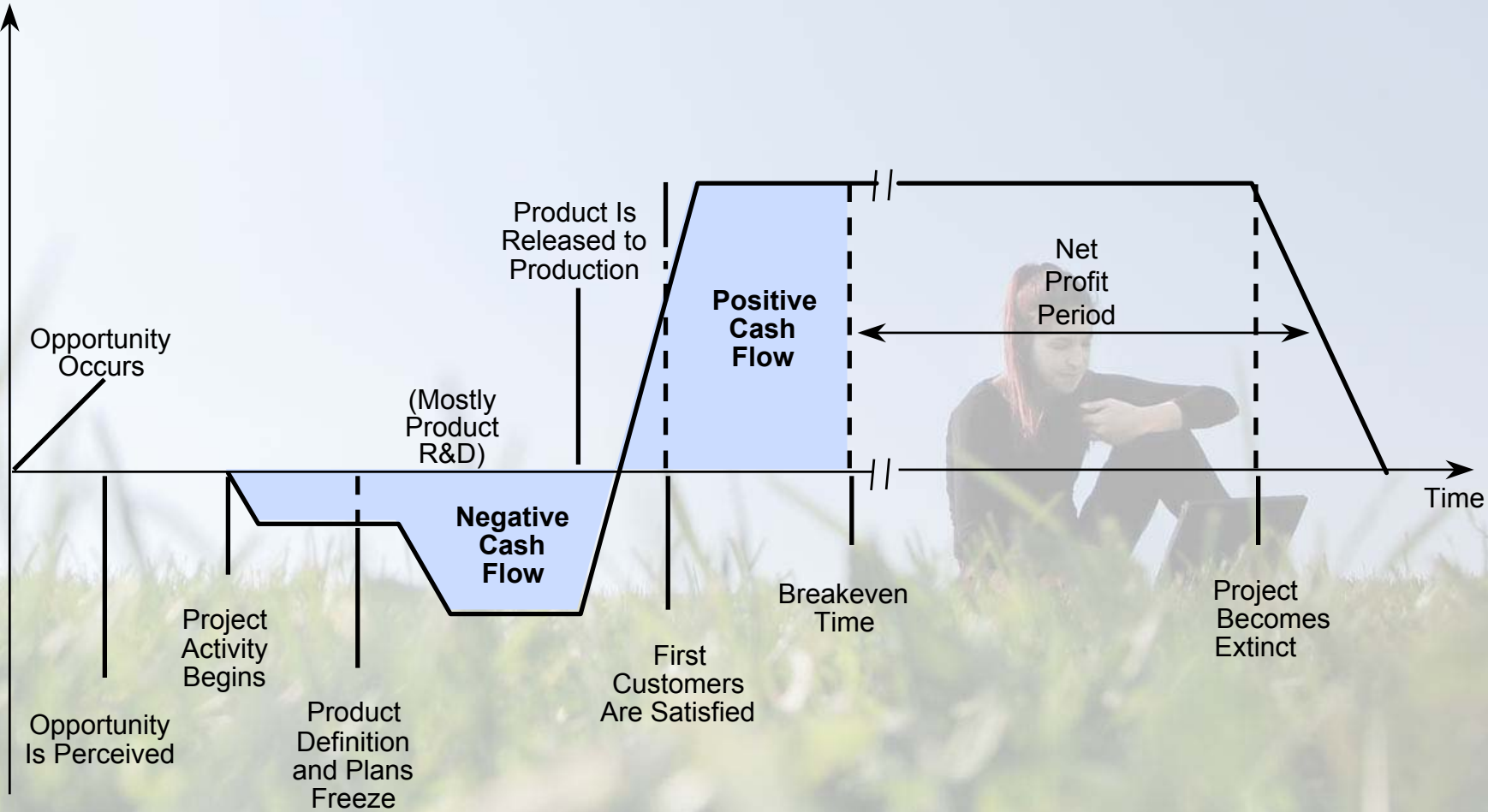
Based on "ERP Life Cycle: From Birth to Death and Birth Again"  
by Andy Klee, September 10, 2005 in Technologyevaluation.com.

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## Understand ROI



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# Typical ERP Lifecycle Phases

## Implementation I:

Select consulting partner, implement core functionality, assess go-live readiness

## Implementation II:

Re-evaluate consulting partner, continue implementing 2<sup>nd</sup> tier functionality

## Extending Value:

Upgrade to current ERP releases and additional functions.

## Maintaining Value:

Few changes to adapt ERP to changing business, fresh look at business processes and continuing to customize the solution where justified

## Evaluation:

Prepare RFP, evaluate, sign contract

Eval.	Implement Phase I	Implement Phase II	Extending Value	Maintaining Value	Declining Phase
Evaluation	Product License & Maint				<b>Declining Value:</b> Value declines as the ERP ages and new business requirements and technologies emerge. Upgrading is nearly as costly as implementing a new ERP. => Evaluation Phase
	Training	License & Maintenance			
	Customization	Training			
	Change Mgmt.	Customization	License & Maint		
			Training	License & Maint	
		Customization	Training		
			Customization		
	Project Manage		Project Management		

Source: Own elaboration based on "ERP Life Cycle: From Birth to Death and Birth Again" by Andy Klee, September 10, 2005 in [Technologyevaluation.com](http://Technologyevaluation.com)

**Evaluation:**

Prepare RFP, evaluate,  
sign contract

## Evaluation Phase

**Issues:**

- Determine which system can maximize your value during its lifecycle
- Compare how the system's philosophy matches your processes
- Determine the need for configuration, customization and extensions
- Inquire about the cost of changes later in the lifecycle

**Hints:**

- Use an evaluation matrix and quantify costs
- Learn as much as you can.
- Implement prototypes to discover the real issues
- Use external consultants
- Adapt company to system or adapt system to company? Choose the first one in "minimize costs" segment and second in "maximize value".

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## **Implementation I:**

Select consulting partner, implement core functionality, assess go-live readiness

## Implementation Phase I

### **Issues:**

- Manage the implementation work
- Change management heavy lifting

### **Hints:**

- Limit yourself to the absolute minimum of customizations
- Manage expectations
- Focus on quick success in order to gain momentum



## Implementation II:

Re-evaluate consulting partner, continue implementing 2<sup>nd</sup> tier functionality

## Implementation Phase II

### Issues:

- Re-assess situation with new detailed knowledge:
  - Renegotiate with consultants
  - Adjust customization plans
- Find a few new team members if Phase I went badly.

### Hints:



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**Extending Value:**  
Upgrade to current ERP releases and additional functions.

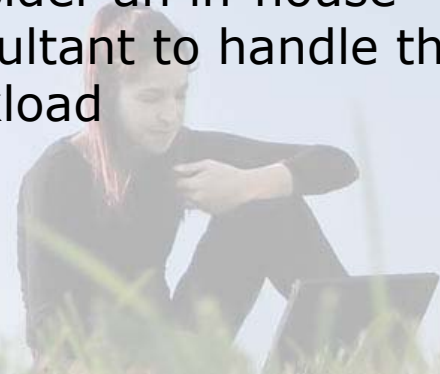
## Extending Value

### Issues:

- Possibly longest phase in the lifecycle
- Capture, evaluate (cost/benefit) and prioritize requests for system extensions

### Hints:

- Plan for this phase when evaluating the product
- Verify benefits of extensions
- Consider an in-house consultant to handle the base workload



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## **Maintaining Value:**

Few changes to adapt ERP to changing business, fresh look at business processes and continuing to customize the solution where justified

## Maintaining Value

### **Issues:**

- Reap benefits of the system's implementation
- Adapt the system to changing business needs
- Maintenance mode
- Try to maintain staff and knowledge

### **Hints:**

- Consider 3rd party maintenance if vendor is too expensive





## Declining Value:

Value declines as the ERP ages and new business requirements and technologies emerge. Upgrading is nearly as costly as implementing a new ERP.

=> Evaluation Phase

## Declining Value

### Issues:

- Evaluate cost of alternative technology
- Prepare for new evaluation phase

### Hints:

- "Band Aid" supported system is normal, focus on costs:
  - maintenance
  - downtime
  - ...

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