Service:	System selection online
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Description:	Gives the reader insights into certain parts of the process
Objective:	• Enhances understanding • Gives user some insights

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Content

1. Implementation Approach

1.2 Implementation approach

Most vendors will have a proprietary implementation approach. No matter what it is called, it will generally include the following phases:

1. Scoping of what is required
2. Designing the process, technology etc.
3. Building, configuring the technology
4. Implementing, installing, getting the system up and running
5. Post implementation review, reviewing what has been done.

1.3 Implementation scope

The size and complexity of an implementation will depend on a number of factors. These factors might include:

- Number of modules required;
- Number of locations where implementation required;
- Number of users of the system;
- Complexity of processes;
- Integration required between systems and type;
- Training required;
- Change management required;
- Process changes or redesign;
- Complexity of the supporting technology;
- Mobile solutions required;
- Internet capability and integration.

When proposing, especially in the middle market, many vendors will provide a standard install, training and minimal configuration. This can potentially leave staff, doing what they have always done, just in a new system as no process or change management has been provided. The lack of configuration can also impact on electronic workflow requirements.

1.3 Implementation pricing

Consider the ratio of implementation dollars to software dollars. As a general rule of thumb, a ratio of less than 1:1, you would generally be getting a very standard install and generic training, so if you do not have the skills in the organization, the system will work, but getting benefits of changing practices will more than likely not be immediately achieved. A ratio of around 1.5 to 2 for every software dollar will begin to include these services.

Be very clear, on what has been purchased as part of the implementation. This should include the following:

- Total time to implement, project plan;
- Consulting resources and skills provided by the vendor;
- Actual days these resources will be implementing your solution;
- Resources and skills required from your organization;
- Project days required of your organization;
- Detailed activities during the implementation;
- Data conversion strategy;
- Who and what reports will be built;
- Integration required and effort.

2. Data conversion

2.1 What is data conversion?

Data conversion relates to the data in your current system that will need to be converted and loaded into your new system.

This data might include the following:

- General ledger transaction detail
- Payables master file
- Payables transactional history
- Receivables master file
- Receivables transactional history
- Customer details
- Customer credit limits

- Authority matrices and policies
- Fixed asset history
- Inventory, stock keeping units
- Costing breakdowns
- Bills of materials
- Employee master file
- Payroll history

2.2 Data conversion considerations

Consider the following data types and the guidelines below. You will need to consider what is best for your organization:

Data type	Method	Consideration
Transactional history	Use only opening balances, avoid converting transactional history.	May need to query the existing system to see transactional detail for a certain period. Consider statutory requirements for record keeping. Ensure suitable reconciliations performed to ensure data accuracy. Understand what transactional data is in the system and the uses of each to determine your strategy.
Master file	Import/ export function, ensuring fields are set up correctly can usually manage this.	Many organizations take this opportunity to perform some data cleansing activities before loading into the new system Manage the data cut off.

		Reconcile data to ensure data accuracy. Consider all the available fields and any additional fields required in the new system, work through each field and its use.
Other	Discuss with your vendor, understand the system needs	Consider the importance of the data and cost of conversion to the new system. Consider relevant internal controls to manage accuracy.

3. Integration

3.1 Integration strategy and needs

Most new systems will have some form of integration requirement, whether with an external provider of data, sales system or website. Integration can take the following form:

- Real time, as data is processed, both systems update, or a live feed is provided, can impact performance and add to cost;
- Batch, where data is loaded between systems at certain times of the day, usually high volumes, needs batch controls;
- Manual, where integration is completed by the user.

Consider your needs and each of the following to determine requirements and business needs:

- Real time is usually the most expensive and complex form of integration and the use and need for the real time updates should be considered. Many vendors will have pre built applications to accept data feeds and there is usually a charge for these. Proper testing of these is essential.

- Batch type integration usually involves high volumes of data and will need internal controls to check the batches are correct;
- Manual integration is generally the cheapest but the most prone to human error and inconsistency in timing;
- Make you understand all integration requirements or suggestions, where these will occur, the type of integration proposed and the related cost.

4. Scope change controls

4.1 Need for scope changes

When the implementation begins, there will invariably be more data that comes to light or additional functionality not previously considered. Ensure you are clear before finalizing the contract how these will be managed, the documentation required and the signoff. If possible, establish a rate for these as far as is possible upfront.

4.2 Scope change process

Make sure you understand the scope change process for the project and what types of scope changes are anticipated. Common strategies providing a reduced price and negotiating to make money on the out of scope changes afterwards.

Discuss this with the vendor, the format and approval process before scope changes will be accepted and applied. Also, ensure you have some budget for scope changes.

A common process for managing scope changes is as follows:

1. Issue listed on the issues log;
2. Review of contract and implementation scope;
3. Scope change requested;
4. Vendor scopes the change and submits document;
5. Approval from steering committee or as appropriate;
6. Update project plan and milestone report as appropriate;
7. Confirm scope change and manage with vendor;