



# Evaluating ERP Solutions: Advice and Checklists for Service Organizations

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“Our people are the most important asset. The pandemic disrupted our world, but our legacy technology held us hostage. We had to move to the cloud.”

—Professional services organization

**Most of the workforce  
is now remote.**

# **Disruptions ARE RESHAPING services organizations.**

- Systems are still disconnected, resulting in a lack of real-time information.
- Historical patterns for predictive purposes are no longer relevant.
- Services organizations need their technology to provide a better people experience.
- Innovation acceleration is creating new value streams for services organizations.

# Legacy Enterprise Resource Planning (ERP) Systems Hinder Resilience

## Legacy systems encounter a range of issues:

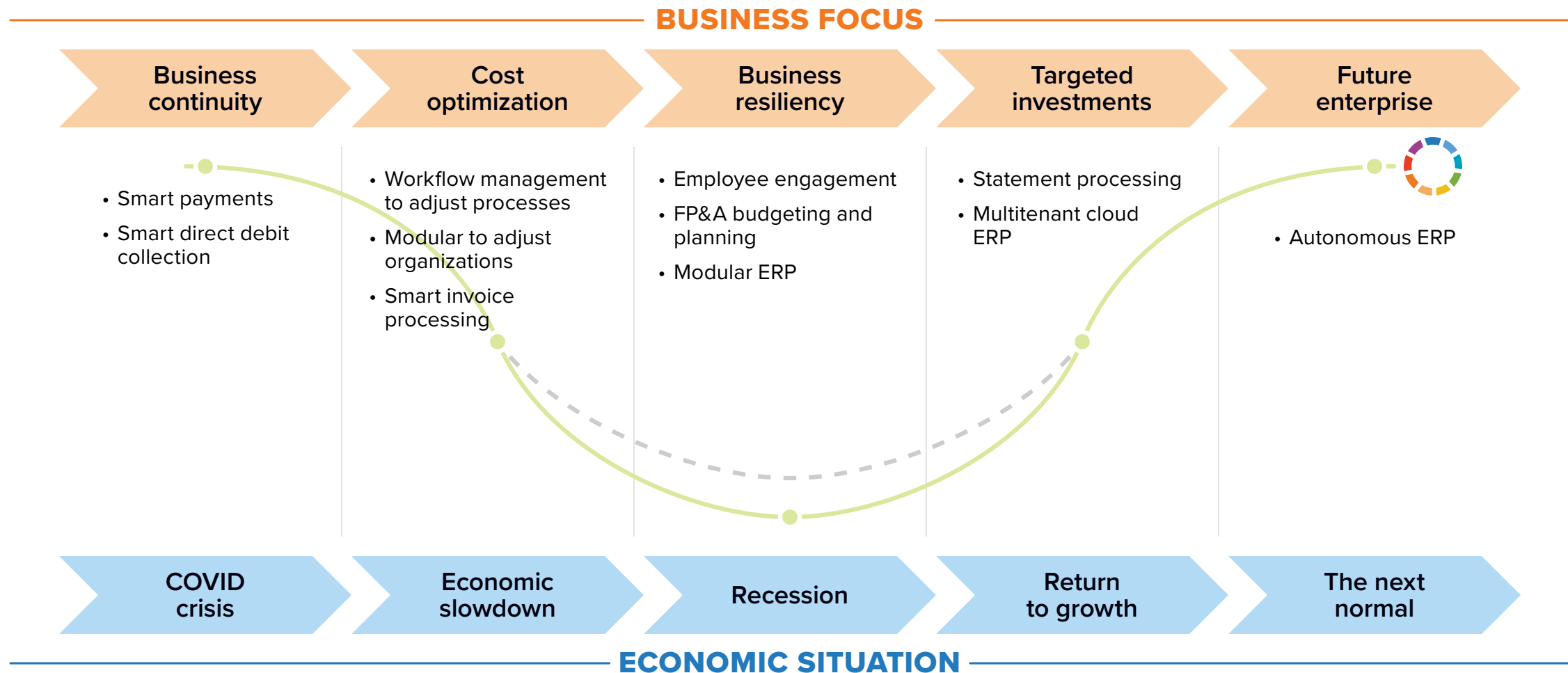
- ✘ Connection doesn't occur across the organization
- ✘ Data is separate from points of need
- ✘ Slowed automation and batch updates increase decision time
- ✘ Business processes either overlap or miss major aspects
- ✘ Too many screens must be utilized to navigate and get to an outcome
- ✘ Analysis takes weeks



“When the pandemic hit, our legacy systems stopped us in our tracks. It was so hard to believe that we could use our mobile phone apps for our domestic needs, but we couldn't get into our business applications.”

—Engineering firm

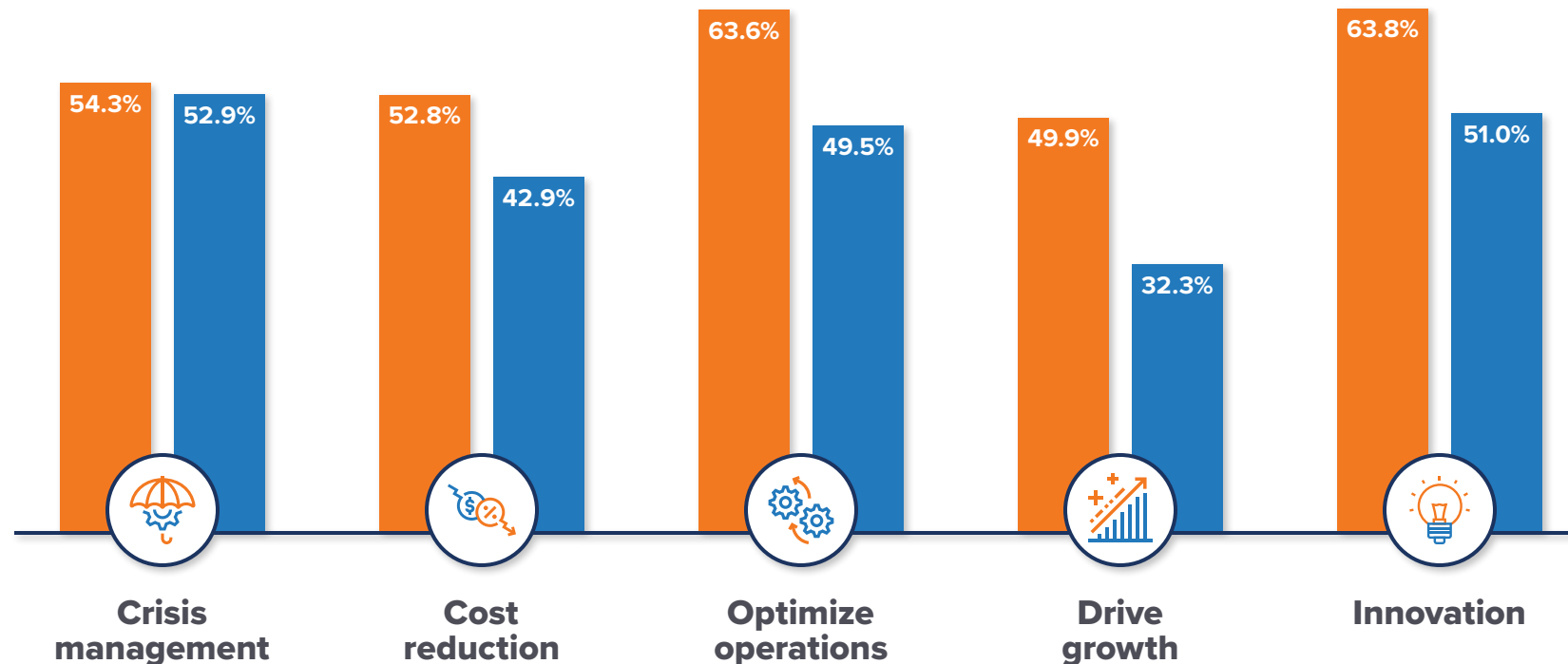
# Flattening the Disruption Curve Requires Modern and Modular ERP to “Skip the Dip”



# Cloud ERP Helps Organizations Tackle the Disruption

Q: How is your organization now using cloud technology?

Percentage:  C-level  IT and Line of business



“If we hadn’t invested in our cloud ERP system, we would have shut our doors when the community needed us most.”  
— Nonprofit organization

Source: COVID-19 Impact on IT Spending Survey (May 21–28 period), IDC, May 2020 | n = 694

# The Benefits of Cloud ERP

- ✓ **Modern and in the cloud**, enabling the employee to work anywhere and anytime
- ✓ **Manages massive data sets**, tying them to analytics and turning data into action, in real time
- ✓ **Connects** across customers, suppliers, and employees
- ✓ **Scalable** because it can run in the cloud, enabling it to grow and contract based on business requirements
- ✓ **Agile and real-time**, providing employees more ability to think, understand, and move quickly with intelligent decision making
- ✓ **Compliant globally** with segregation of duties in accounting, material management, and supply chain track-and-trace
- ✓ **Collaborative** so the entire enterprise can work together, extending into the global network of suppliers, contingent labor, and supply chains
- ✓ **Innovative**, using intelligent workflows and multiple data sets to innovate and scale fast

“Connecting our employees regardless of their location enabled our organization to be agile, work collaboratively in real time, and meet our customers’ requirements.”

—Media organization

# Cloud ERP Technology Evaluation Checklist

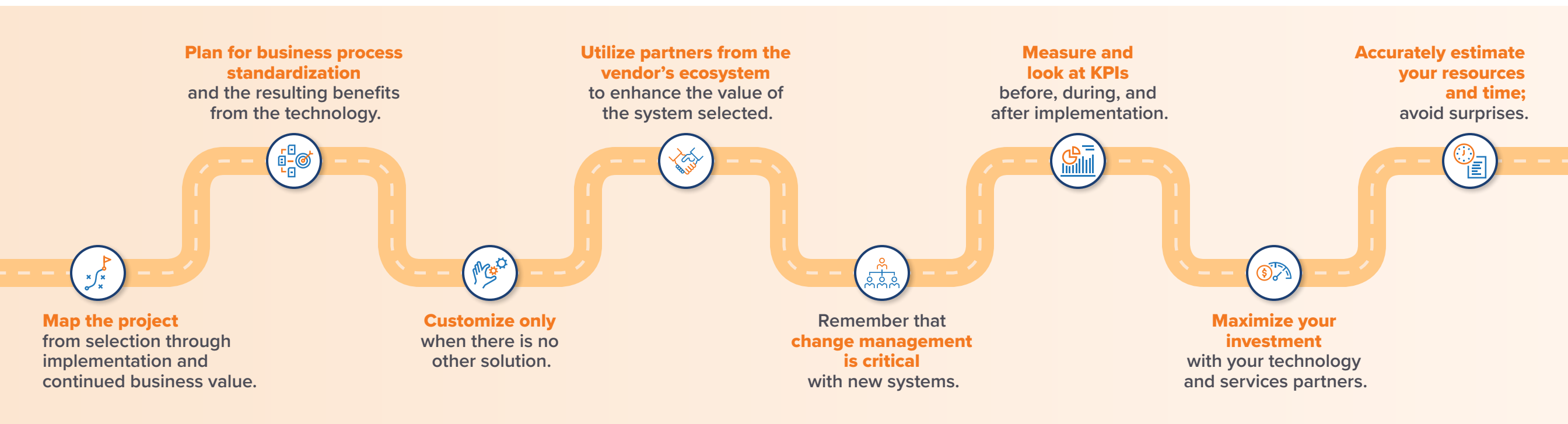
**Finding the right cloud ERP technology vendor requires an evaluation checklist:**

- Does the cloud ERP solution focus on my industry with efficient and services-minded business processes?
- Is the solution available anywhere and anytime?
- Is it multitenant SaaS, modular, and configurable?
- Is the solution innovative, using AI/ML, predictive analytics, virtual assistants/chatbots, natural language processing, and intuitive UIs?
- Does the cloud ERP have real-time data, even as it manages massive data sets, for the entire organization?
- Is it people-centric with actionable outcome-based workflows?
- Does the solution use automation to improve accuracy and save users time?

- Does the workflow send alerts to notify users of actions and problems?
- Does the cloud ERP use predictive analytics and scenario planning?
- Does it provide financial planning and analysis?
- Are there talent management capabilities?
- Do the references of the cloud ERP vendor have commonalities with my business and operating style?
- What is on the product road map in the next six months and within 1–3 years? How will this impact my organization?
- Does the product pricing support my business overall? What do I need to do now versus the future?



# Actions to Drive Success for Your Services Cloud ERP System



**Plan for business process standardization** and the resulting benefits from the technology.

**Utilize partners from the vendor's ecosystem** to enhance the value of the system selected.

**Measure and look at KPIs** before, during, and after implementation.

**Accurately estimate your resources and time;** avoid surprises.

**Map the project** from selection through implementation and continued business value.

**Customize only** when there is no other solution.

Remember that **change management is critical** with new systems.


**Maximize your investment** with your technology and services partners.

**75% of organizations are adjusting their IT road maps. Their top project priorities are:**

 **Generate a quick ROI:**  
30%

 **Reduce costs of current systems:**  
24%

 **Enable easy execution:**  
23%

 **Create operational efficiencies in financial reporting, project management, and employee experience:**  
21%

Source: COVID-19 Impact on IT Spending Survey (May 21–28 period), IDC, May 2020 | n = 694

# Pitfalls to Avoid and Top Tips to Assist with Cloud ERP

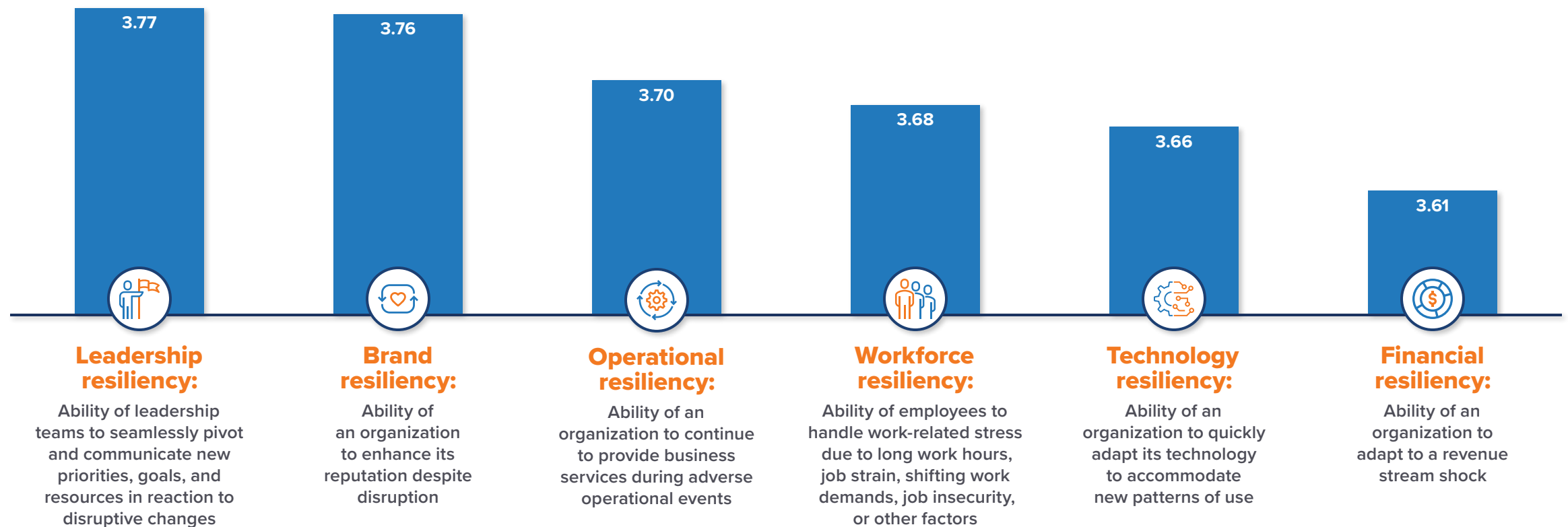
Pitfall	Top Tip
Choosing a tool that cannot grow or contract with your business.	Select a tool that can grow and contract with your business and enable smoother and more insightful processes. It must be faster, provide real-time information, and allow your organization to work smarter and better together.
Accepting the status quo on your known processes.	Challenge your internal thinking on your known processes for new methodologies yielding better performance.
Ignoring the gaps that exist across functions and around manual and semiautomated business processes.	Make automation and digitization the new paradigm for your organization.
Assuming the product will completely change and digitize your organization.	Align the organization on digital transformation as a goal.
Adding to the project scope — a sure sign of a failed implementation.	Minimize scope creep to reduce frustration while keeping the project on time and within budget.
Thinking that implementation is the entire project.	Remember that governance, compliance, resources, and recognizing solid KPI improvement are all components of a successful implementation.
Going full speed ahead without navigation, courting disaster.	Use your brakes and stop scope creep, or reset your organization, the vendors, and partners on your project requirements and goals.

# Business Resiliency Counteracts Disruption

**Business resiliency is the ability of an organization to rapidly adapt and respond to disruptions while maintaining continuous operations and its core sense of purpose.**

**Q: Please rate how resilient your organization is along each of the following dimensions.**

Scale: 1 = Not at all resilient; 5 = Extremely resilient



Source: COVID-19 Impact on IT Spending Survey (July 7–20 period), IDC, July 2020 | n = 844

# The Right Cloud ERP Enables You To...

- ✓ Be resilient
- ✓ Become a people-focused company
- ✓ Utilize microservices, extensible ERP, digital assistance, and enhanced UI, enabling an extremely agile organization
- ✓ Bring trust and empathy with on-demand usage and visibility into real-time data
- ✓ Be an intelligent organization with a great workforce experience
- ✓ Improve operational excellence with the right focus on resources, projects, and outcomes

“We couldn’t see across our resources and the multiple projects employees were part of. This caused us to lengthen our engagements and mismanage our resources, and reduced our ability to monitor and manage our projects successfully.”

—Professional services organization

“Investing in the right ERP system has proven to be the single most productive investment for us this year.”

—Services organization

Source: COVID-19 Impact on IT Spending Survey (July 7–20 period), IDC, July 2020

# About the Analyst



## **Mickey North Rizza**

Program Vice President,  
Enterprise Applications and Digital Commerce, IDC

Mickey leads a team of analysts responsible for IDC's coverage of the next generation of enterprise applications including ERP, financial applications, procurement, supply chain automation project and portfolio management, enterprise asset management, services resource planning (SRP) and related project-based solutions software, and the digital commerce business network. In her role, Mickey and her team advise clients on ERP and i-ERP systems, associated applications, and digital commerce with a focus on key trends, opportunities, innovation, and the IT and Business Buyer concerns and requirements.

[More about Mickey North Rizza](#)

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