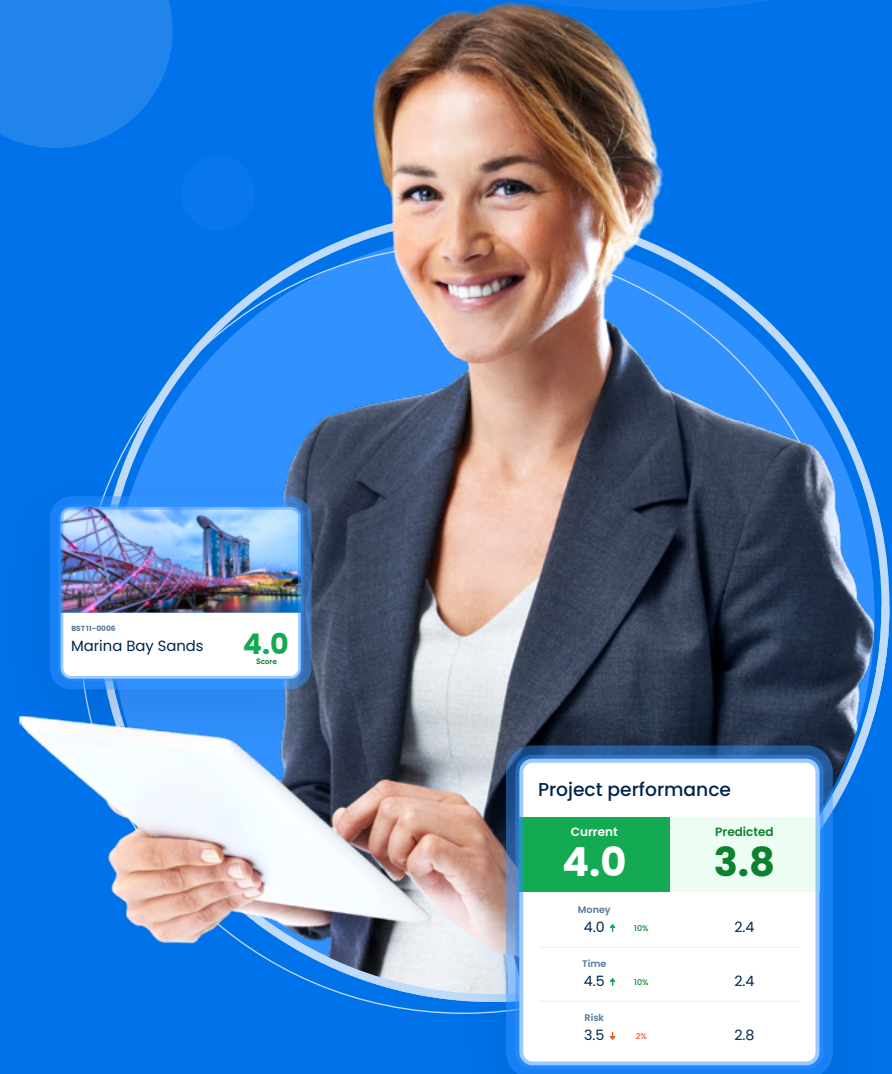
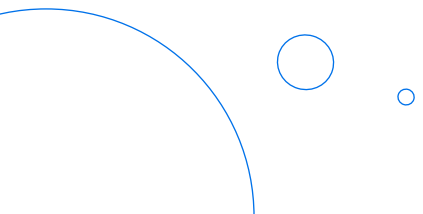


# How to Prepare Your AEC Firm for a Successful ERP Journey



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# Your Firm Needs an ERP Solution & This Is Your Opportunity to Make It Happen

No more putting it off because the search results for “how to find an ERP solution” are completely overwhelming. This guide will help you get your team organized and make some real progress on your ERP journey. So, get your team together — it’s time to kick this off!



# Where to Start

How you prepare your AEC firm to evaluate different software providers for a future implementation is critical to the success of your ERP journey. Based on our experience completing hundreds of ERP implementations globally, this guide will show you how and to do just that. Follow it closely so your team has the information necessary to make this initiative successful. Start by addressing five important questions.



## Question 1: Why ERP Software?

You and your team may have already identified several reasons your firm should be doing this — now it's time to document them.

But we don't want you to settle for just listing reason after reason. We're here to help you uncover the root problems your firm needs to address with a new ERP solution.

## Question 2: What's Our Goal?

To keep your ERP journey on track and remind your team why you started it in the first place, it's important to set goals in advance. The outcomes you'd like to see should be based on the pain points you identified in Question 1. Your goals can be set up however you'd like, but we've created three distinct categories to help you get started, which we'll explore later.

### Question 3: Who's Involved?

One of the most important things to note is that many firms make the mistake of starting their ERP journey with the Finance team in the driver's seat – without involving the Operations team. We'll explain the importance of reworking this approach to make your ERP journey successful.

You'll need to think through the key roles involved in the ERP selection process, who you'll need buy-in from and who's going to lead the initiative.

### Question 4: When Should We Do This?

There are several things you must consider to determine a potential start date for your ERP journey.

Whether it's competing events or projects, important meetings, different characteristics of your firm (size, number of offices, etc.) or other important factors, this section is critical for ERP solution effectiveness.

### Question 5: What's Next?

When you've made it to this point, your team will officially have what it needs to take the next step in your ERP journey.

See? Nothing to be afraid of. Now, it's up to you and your team to make this happen. You can do it!



## QUESTION 1:

# Why ERP Software?

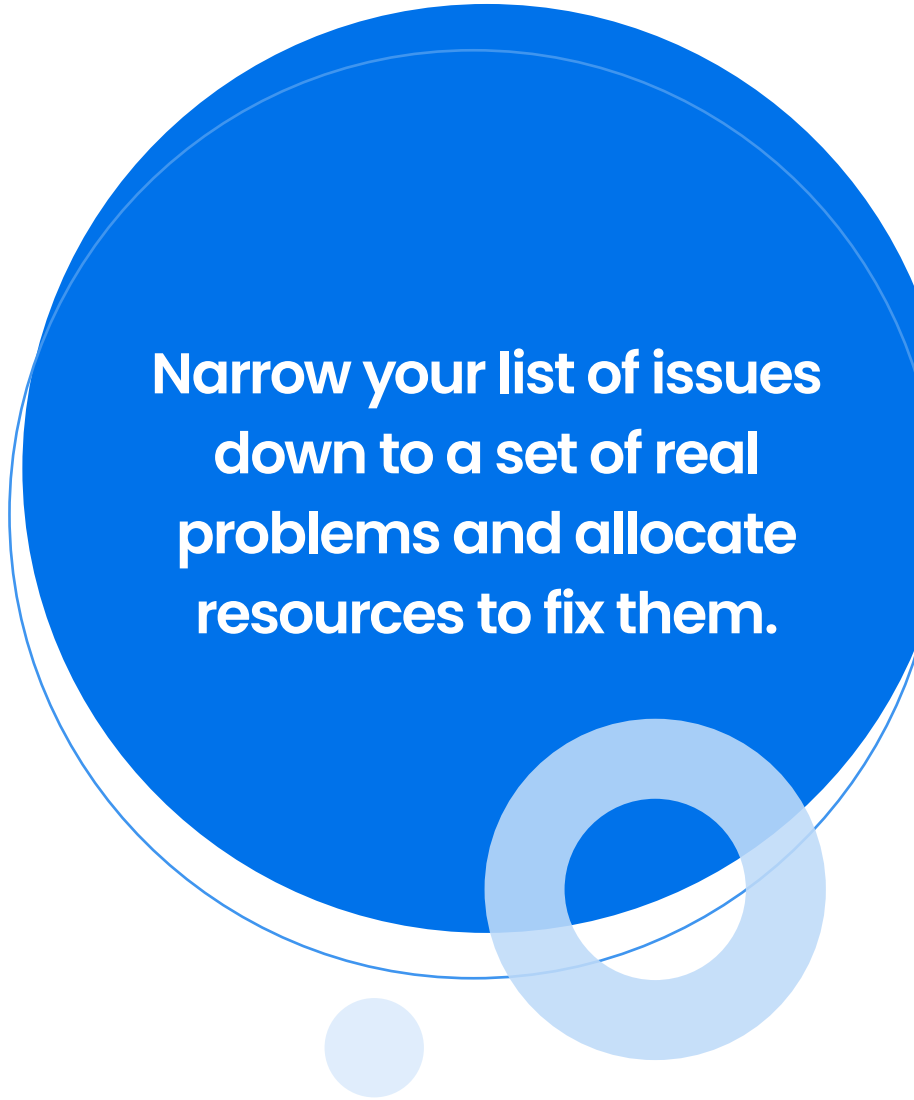
The first thing you'll want to ask internally is "why?" Why are you considering implementing an ERP solution? You and your team may have already identified several reasons your firm should be doing this — now it's time to document them.

But we don't want you to settle for just listing reason after reason. When analyzing the "whys" with your team, it's important to understand and distinguish between problems and the symptoms of those problems.

Here's what we mean: **A symptom is something that happens because of a problem — it's not the problem itself.**

You could come up with dozens of issues that, at first glance, all seem like problems for your firm. However, it's likely that many of them are symptoms of a specific root problem.

If you focus on fixing all of those symptoms rather than the root problem, there's a good chance that more symptoms will continue to pop up. By narrowing your list of issues down to a set of real problems and allocating resources to fixing them, the related symptoms should improve as well.



**Narrow your list of issues  
down to a set of real  
problems and allocate  
resources to fix them.**

# Let's Get Started

To get the most out of this exercise, your team should follow this guide section by section together, without rushing through it. This is not meant to be an individual effort; working on this exercise together will make the process less overwhelming and ultimately more effective.

## Directions

Review each group of symptoms and check off the ones your firm is currently experiencing. Then, go to the bottom of the page to find out what the possible root problem is.

**Note:** Some symptoms can be caused by multiple problems, so don't worry if you notice some symptoms overlapping.



## SYMPTOMS: GROUP 1

Check any of the following symptoms that apply to your firm:

We aren't able to properly analyze past project performance to assess risk for new projects.

We can't easily see the profitability of all our projects, departments, offices and companies.

Employees can't see and manage their work assignments.

Project managers don't know when their projects start to run over budget.

We don't have the correct information to balance the workload among all staff and maximize overall utilization.

We have several software applications that process the same data but are not integrated with each other.

Project managers have to enter the same amount of data to initiate a project regardless of its size.

## Potential Root Problem: Your Current Systems

If you checked off any of these symptoms, your firm's current system(s) may be the problem. Whether you have an outdated software solution that no longer meets your firm's business needs or multiple systems that seem to make work harder (not easier) for your team, your current systems are causing a variety of operational issues, which are ultimately hindering your firm's future success.



## Potential Problem: Your Software Provider

If you checked off any of these symptoms, your firm's current software provider might be the problem. And relying on support that's unreliable doesn't make a whole lot of sense, does it?

With any system, you want a support team that is there when you need it — especially if it's a complex ERP system. Simply put: A software provider that cannot provide the support your firm needs is **not** a firm you want to partner with.

### **SYMPTOMS: GROUP 2**

Check any of the following symptoms that apply to your firm:

It's too expensive to get the support we need to properly use our ERP system.

Our ERP system has not kept pace with AEC industry advances and requirements.

When contacting our software provider's support team, they don't quickly understand what we are asking about.

When contacting our software provider's support team, they don't respond in a timely manner.

We pay software license fees when upgrading to a new version of our ERP solution.

Our software provider doesn't feel like a "partner" to us.

## **SYMPTOMS: GROUP 3**

Check any of the following symptoms that apply to your firm:

We can't get a timely view of our firm's operational performance.

Our project managers can't see employees' charges to projects.

Our project managers don't have the visibility they need to proactively manage the performance of a project.

The WIP portion of our Days Sales Outstanding is older than 30 days.

We spend too much effort adjusting erroneous labor charges that require a transfer to another project.

Our month-end reporting is delayed because it's difficult to get percent-complete and project-progress information from project managers.

## Potential Problem: Your Internal Processes

If you checked off any of these symptoms, your team's internal processes may be the problem — they can't get the relevant information they need, when they need it.

This can have a serious domino effect on your firm as it makes performing key processes in a timely manner difficult. And if your processes aren't efficient, it takes longer to complete projects — which affects the entire foundation of your business.

## Potential Problem: Your Business Performance

If you checked off any of these symptoms, then your firm seems to have a problem realizing its desired outcomes. Not meeting key performance indicators is one of the biggest issues your firm can have, because when performance starts to slump, the ability to grow and expand does too. And if your firm isn't growing, that means it's stagnant — which is the last thing any business wants.

### **SYMPTOMS: GROUP 4**

Check any of the following symptoms that apply to your firm:

Our firm suffers from sub-standard labor utilization rates.

We don't have accurate past-project information that can be used as a basis to negotiate fees for new projects.

Many of our projects continually run over budget, impacting project profitability.

We can't meet our firm's financial targets and desired outcomes.

Cash flow issues restrict the ability to invest in our firm's growth.

## **SYMPTOMS: GROUP 5**

Check any of the following symptoms that apply to your firm:

For the most part, our firm can't complete projects on time.

Our clients don't value the services we provide.

We don't get a lot of repeat business from our clients.

We have lost one or more of our major clients in the last few years.

Most of our clients can't serve as a good reference for our firm.

Clients don't pay us on time.

## Potential Problem: Your Client Satisfaction

If you checked off any of these symptoms, then it sounds like your firm may have some client relationship challenges. Dissatisfaction among your clients could also be a symptom of other problems your firm is facing — inefficient internal processes, vendor relationship issues, etc. — which you may need to address first, so you can improve your services and develop a healthier relationship with your client base.

Check each problem (not symptom!) that applies to your firm:

Your Current Systems

Your Software Provider

Your Internal Processes

Your Business Performance

Your Client Satisfaction

Now you've got your "whys," the key issues driving this ERP initiative. Analyzing your firm's internal symptoms and problems gives your executive team a clear picture of why your firm needs to begin searching for a new ERP software solution.

You no longer have a series of symptoms swirling around, but real problems that your team can address and eventually overcome with the support of an ERP solution. Next, you'll use these primary problem areas to help guide your team in determining what you want to achieve with a new solution.

Have you identified a symptom we didn't mention? Add it here:

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## QUESTION 2:

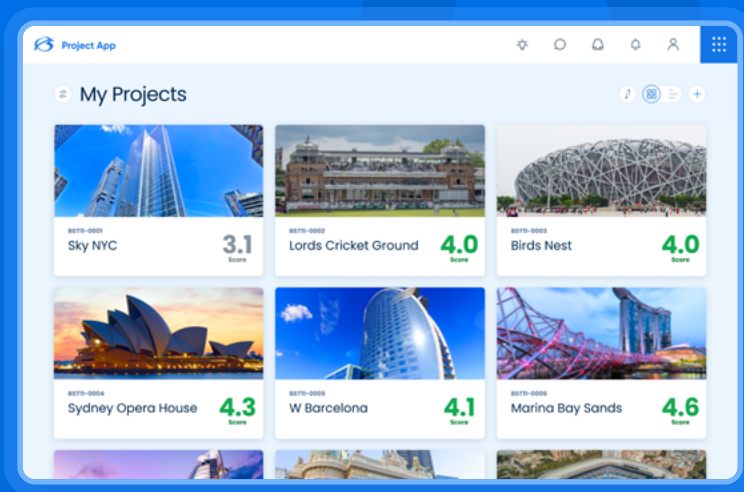
# What's Our Goal?

As your organization considers the addition or replacement of an ERP system, it's important to have a desired outcome in mind. Work together to identify the organizational goals that must be attained for a new ERP system to be successful and, therefore, worth your firm's investment.

First, your team must establish what success looks like from various perspectives. To do this, you should work with your firm's key stakeholders to create a set of foundational expectations based on the pain points identified in Question 1. This is a valuable step as each key stakeholder will bring a unique perspective to the table.

In the evaluation stage of your ERP journey (after you've completed the work in this guide), you'll use these foundational goals to level-set each potential solution provider and ensure that any decision your team makes ties back to what inspired the project from the start.

Carefully consider what you need the provider-evaluation process to accomplish, what issues you need to resolve, and ultimately, what you need an ERP solution to deliver.



## Our Goals

The ERP solution that's right for our firm will support the following business objectives (check all that apply):

### Growth

- Organic growth
- Global expansion (currencies, taxes, etc.)
- Acquisitions
- Faster onboarding of new employees (intuitive software)
- Technical growth (scalable system; cloud/SaaS)
- Global resource management and sharing
- Increase visibility into backlog and ability to display by region/discipline
- Multiple office locations (virtual collaboration)
- Improve geographic project management

### Efficiency

- Automate administrative work
- Online workflows that help employees manage a large amount of overhead
- Improve service communication and collaboration
- Enable project managers to be more technically focused, minimizing their indirect time on a project
- Consolidate reporting and visibility across all work
- Reduce service delivery costs
- Improve time and expense processing
- Improve project scheduling
- Reduce the number of systems used in service delivery
- Improve visibility of available staff by their skill and geography (skill matching)
- Accelerate the billing process with online collaboration across a large project management community

## Performance

Enhance visibility into project performance and backlog

Improve resource sharing across departments

Identify skill gaps and surpluses

Facilitate the management of subcontractors

Improve utilization forecast

Increase client satisfaction

Utilize standard delivery methodologies and best practices

Increase resource utilization

Improve project quality

Improve service pricing

Reduce revenue leakage  
(time not charged, variances, write-offs, etc.)

Have a desired outcome we didn't mention yet? Add it here:



### QUESTION 3:

## Who's Involved?

Often, an AEC firm's ERP journey begins with their Finance team saying, "We need a new accounting system." Then, once implementation is complete, the Project Management and Operations teams are forced to learn a new system (that wasn't built with their processes in mind) and "just make it work." Time and again, we've seen how starting the conversation with Finance and leaving Project Management and Operations out until the end cripples a firm's chances at a successful ERP journey.

You wouldn't expect your Operations Manager to select accounting software — they wouldn't understand the statutory and regulatory compliance issues the accounting team faces regularly. The same holds true for your accounting team — they're not equipped to select the tools that will help Operations meet their goals. At a minimum, Finance should work hand-in-hand with these other teams to select the best ERP solution for your AEC firm.



And, while Finance, Project Management and Operations are essential to the conversation, it's also important to identify others directly affected by a new ERP solution. Ultimately, they are the ones whose day-to-day activities will be impacted.

Keep in mind that there is no single solution that will check all the boxes, so it's important to prioritize everyone's needs and find a solution that satisfies as many top priorities as possible.

We've put together an example list of key roles that could see a fundamental change in the way their job is done once a new ERP solution is implemented. Although these roles are not commonly involved in an ERP solution search, the impact on them should be considered.

### Operations

- Project managers
- Operations managers

### Finance

- Billers
- Controllers
- Accounts receivable
- Accounts payable
- Project accountants

### Information Technology

- Database administrators
- Systems developers
- Information systems managers

Add other key roles in your firm that could be impacted by an ERP solution here:

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Here's an example list of individuals you will need support from to move forward with this initiative:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operations Officer
- Chief Information Officer
- Chief Technology Officer
- Operations management
- Administrative leaders

Add your own list of supporters here:

- 
- 
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- 

Next, you'll want to identify whose buy-in you'll need. Although these individuals may not be writing the check, they need to at least be on board with the initiative to make it happen.

Now it's time to identify an Executive Sponsor for your ERP journey — a person who holds overall accountability for the initiative and is primarily responsible for its success. This individual should be someone in a senior position who is well-respected within the firm.

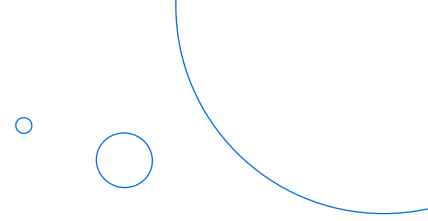
Choose this person carefully. Your Executive Sponsor will be crucial to keeping an initiative of this magnitude on track, and will have a major impact on how readily the new tool is accepted by the rest of the firm.

Make sure you choose someone who can effectively champion the ERP journey and clearly communicate the importance of this change to the entire team.

Here is an example list of individuals that could sponsor this project:

- Operations management
- IT leadership
- Executive leadership
- Finance management

Write in your firm's potential Executive Sponsors here:



**Use this chart to keep track of the specific people in your firm that will likely be involved in the evaluation process:**

Name	Title	Are they involved in the ERP selection process?		Will you need their buy-in?		Are they a potential Executive Sponsor?	

**After filling out this chart, does your firm have enough available staff to start your ERP journey?**

If not, then you'll need to evaluate what additional resources are required to move forward.

Now that you've identified who will be part of your ERP software evaluation process, you'll also need to consider who could be the project manager for implementation once a solution is selected.

Although the project manager does not typically get involved until implementation, it's still a good idea to consider involving them in your evaluation process.

Whether you decide to make them an official member of the evaluation team or just involve them in a consulting capacity, you should at least start thinking about who will take on this role since the ERP project will eventually be handed over to them.

Typically, in AEC firms, the ERP implementation project manager is someone who already has a project management role within the firm. When assessing your internal pool of project managers, make sure you're not picking "just any" project manager with some free time on their hands.

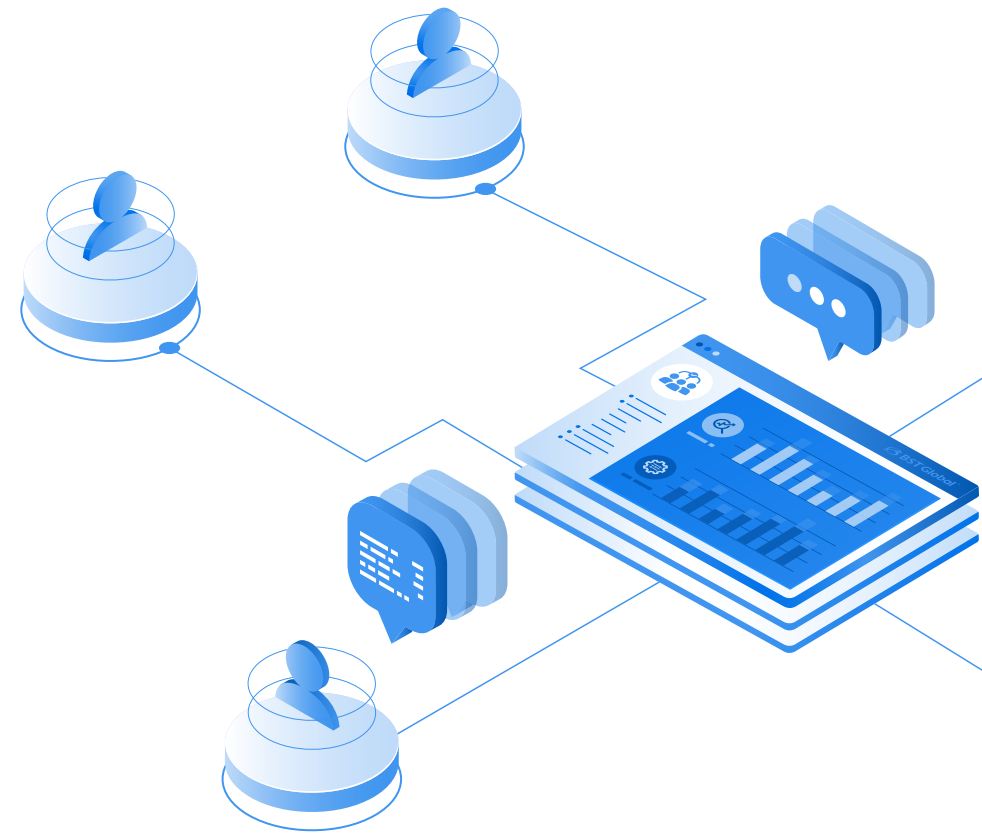
Because this isn't "just any" project — it's likely one of the most important projects your firm will ever do. You'll want to select one of your top project managers for the job, which means they're probably already working on other important projects. To avoid disrupting any of those projects down the line, make a plan for this implementation project ahead of time to make the process easier on your team.

Choose your project manager carefully. The impact of this ERP journey on your firm could last a decade (or more) – so go to whatever lengths necessary to make the right selection.

Write in your firm's potential project managers here:

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- 

Once all of these roles are accounted for, it's time to start thinking about when you and your team want to get this show on the road. While the next section won't help you select an exact go-live date for your firm (that's another process entirely that you'll want to thoughtfully review with your selected ERP provider), it does provide a list of must-have information to help determine a potential start date.



**QUESTION 4:**

# When Should We Do This?

Remember, ERP implementation is a very involved process for any AEC firm – no matter how big or small. One of the most detrimental things you can do is try to artificially compress the project schedule. Any short-term gains achieved by doing so will almost certainly be offset by the challenges of an organization that is undertrained and unprepared for a change of this magnitude.

Coming up with a potential go-live date for your ERP solution will help your team decide when to start the evaluation process. Identifying a realistic start date for the ERP implementation process depends on a number of items, one of the most important being the potential for competing events to affect the ERP project.

Examples of competing events include:

- Mergers and acquisitions
- Key personnel changes
- Financial auditing
- Seasonal/holiday shutdowns
- Physical office relocation
- Human resources/payroll system replacement
- Vacation time





Use the following table to document competing events, determine whether they can run concurrently with ERP implementation, and indicate if their completion is required before ERP implementation can commence (even if an event can't run parallel to the implementation, consider if it can be postponed until after the ERP solution is live).

Competing Event	Can it run parallel to the ERP implementation? (Input Y or N)	Completion required prior to ERP implementation? (Input Y or N)

**Are the individuals you identified in Question 3 involved in any of these competing events?**



If yes, list these conflicts in the table below.

Name	Competing Events	Date Unavailable

Moving the implementation along with minimal disruptions is key. Identifying these competing events empowers your team to account for them when determining a project schedule and go-live date with your potential ERP solution provider.

## Additional Considerations

Identify and document any particularly slow/  
busy times in your business cycle you'll want to  
schedule around:

- 
- 
- 

**Do you need to have the implementation cost ready for next  
year's budget meeting?**

If yes, when is next year's budget meeting?

- 

**Does your organization require a formal RFI and RFP process?**

If you answered "Yes," then you also need to factor in time for the development, distribution and evaluation of the responses. Aside from considering who's involved and what's happening internally, there is also a series of internal efforts and external analyses that are part of the evaluation process.

During the ERP software evaluation process, potential providers will also have questions for you to get an idea of how long implementation will take based on their own criteria. While the questions answered above help you get an idea of the events that may impact an ERP go-live date for your firm, the go-live date presented by a potential provider will include another set of factors.

These factors include, but are not limited to:

<p>Size of your organization: <input type="text"/></p> <p>Number of offices your firm has: <input type="text"/></p> <p>Number of countries your firm serves:</p> <ul style="list-style-type: none"> <li>• Provinces: <input type="text"/></li> <li>• Countries/Regions: <input type="text"/></li> </ul>	<p>Whether your firm's processes are centralized or decentralized:</p> <ul style="list-style-type: none"> <li>• Accounts Receivable: <input type="text"/></li> <li>• Accounts Payable: <input type="text"/></li> <li>• Project Initiation: <input type="text"/></li> <li>• Billing: <input type="text"/></li> </ul>
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Other Processes	Are processes centralized or decentralized?

Are your firm's processes consistent across the organization?

<p>How many legacy systems need to be replaced?</p> <input type="text"/>	<p>How many integrations are required?</p> <input type="text"/>
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How receptive or resistant is your firm to change?

### Do you have a change management methodology in place?

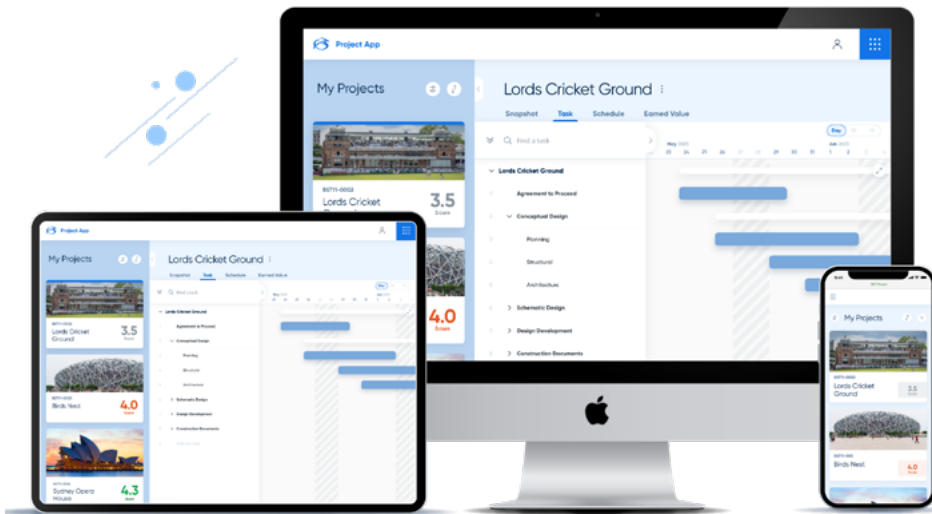
In addition to the competing events you listed earlier in this section, you'll also want to consider a contingency plan. This means coming up with a number of "what if" scenarios with your team. Here are some examples:

- What if our controller decides to retire? We'll need to go live before that retirement.
- If our go-live date isn't before MM/DD/YYYY, we'll have to pay another year of maintenance on our old system.
- If we don't go live before tying up our merger and acquisition activities, then our newly acquired firm won't be in the new system.

Coming up with these what-if scenarios helps determine if your firm will be ready to go live at the date selected with your solution provider. If not, you'll want to go back and revise the original date based on the timing of these scenarios.

That's why this part of your internal analysis is so critical: Anticipating any potentially disruptions helps avoid putting the business at risk.

Write in your own "what if" scenarios here:



## QUESTION 5:

# What's Next?

Congratulations! You made it! Now that you have the current situation of your AEC firm documented, your team has the tools they need to get buy-in from the executive team and confidently move to the next phase of the ERP journey: evaluating ERP solution providers.

# Have a Question?



At BST Global, we're here to help. If you have any additional questions about starting an ERP software journey for your firm, you can reach us at [Hello@BSTGlobal.com](mailto:Hello@BSTGlobal.com).



Or visit [BSTGlobal.com](https://www.BSTGlobal.com) to learn how our newest enterprise resource planning solution, BSTII ERP, can help your firm overcome its biggest business challenges.



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