

Now is the Time to Implement a New ERP system

Jack Welch, legendary CEO of General Electric speaking at a Las Vegas conference in 2002:

“This will pass, don’t hunker down and freeze over it; just fix it.”

This quote came as he was insisting that during an economic downturn companies should position themselves to pull ahead of their competition.

In these tough economic times where your company might be having a “down” year; one would not think to take on the additional expense of implementing a new ERP system. Certainly in most cases cutting costs in response to declining revenues makes sense, but in this article I will give arguments to support the notion that when business is down, it is an ideal time to implement an ERP system.

During times when business is strong, you find yourself facing deadlines, putting out fires and generally not being able to take your business where you want. It is difficult to make improvements while trying to produce product, control cost, avoiding quality problems and all the while you are trying to meet deadlines that seem to become shorter and shorter. You need a new ERP system to help you, but don’t have the time to first search for a system and then implement it.

The main reason to consider taking on an ERP implementation during a business down turn is that your key employee resources will be more available to participate in the implementation. Getting the right people working on the implementation team is critical to the success of the implementation. The key employee resources who keep your business running are exactly the people who need to be on the implementation team. The people on the team need to be the ones who know where bottle necks exist, and know what the key elements are to keeping things on schedule. These key resources know what the new system has to do to help put out the fires quickly and more importantly prevent them from happening in the first place. During a business slow down, these people will have more time to spend on the ERP implementation in preparation for when business improves.

Spending the time to implement an ERP system during an economic downturn makes sense. You have more time to devote to the project and you can get your best resources involved in the project. But the best reason is that when the economy recovers and your business improves, you will be in a position to run your business more efficiently and effectively to gain that competitive edge against your competition.