



Targeting Business Performance: Process-led Fit-Gap Analysis to prepare ERP Implementation in Manufacturing Company



Project Summary

A manufacturing company planned to implement a best-fit ERP system to improve their internal business management processes. Scheer supported this endeavor by conducting a fit-gap analysis on their As-is project-captured processes, comparing the capabilities of their current- and future-state ERP systems. The project was further streamlined through a process prioritization, allowing us to focus our efforts on the processes with the greatest impact on the organization's key value drivers.

Combining structured process models with identified capability gaps, the organization was equipped to confidently select and implement the ERP system that would best serve their processes.

Organization Background – The organization is a mid-size manufacturing company specializing in storm water management and efficient landscape irrigation. They currently serve North American residential and commercial markets. They have recently been acquired by a global manufacturing group headquartered in Europe.

Business Challenge

The main goal of the project was to prepare the organization ahead of a global ERP transformation. The first phase of the project was to capture task-level details of processes across several functional areas during live modelling sessions with subject matter experts (SMEs).

Our next task was to prioritize the processes according to key value drivers to conduct a gap analysis ahead of the ERP selection. This exercise tested a potential ERP solution's fit with the processes that drive the most value within the organization and proactively uncovered potential gaps and incompatibilities. It also presented the opportunity to identify process improvement and automation opportunities for the future state.



The Solution

To capture an accurate picture of their current state operations, we conducted As-Is process capture sessions with SMEs. The sessions resulted in 326 identified processes across 8 functional areas. We worked with more than 50 SMEs to categorize these processes in relation to their parent company's functional operations.

To maintain the focus of the project, we concentrated our efforts on processes with direct interactions with the ERP system.

In live, remote capture sessions, we created detailed process models for over 180 key business processes, including role, IT system, and data requirement information. While each process had a designated expert (or team of experts), we received input and validation from several functional areas, where appropriate, to capture a complete picture.

In the second phase of the project, we conducted workshops with the president of the company to identify the business priorities and goals and the actionable value drivers which support them. We synthesized input from high-level stakeholders across the organization to select the most crucial value drivers. We then assessed the impact of the captured processes on each of the key value drivers using our Process Impact Assessment.

Finally, we conducted a gap analysis on the selected high-impact processes. In live sessions with functional area and technical SMEs, we identified and categorized potential capability gaps between the current and future ERP systems. We also identified and tracked automation opportunities and process improvements that would be possible in a new system.

BPM training was delivered to key SMEs to increase understanding and enable continued repository maintenance.



Value

The project resulted in the following outcomes:

- Operating model created in line with parent organization to provide global transparency
- 326 processes identified and categorized across 8 functional areas to contribute to standardization and harmonization efforts
- Over 180 processes captured in detail and shared in a cloud-based Process Repository to support continuous improvement across the global organization
- Deviations from parent company processes identified and documented to prepare for future phases of ERP implementation
- 30 high-impact processes selected based on value drivers to provide clear direction for improvement efforts
- Capability gaps, process improvement opportunities, and automation potential identified for 30 high-impact processes to inform ERP transformation
- Key stakeholders enabled to continue BPM Discipline

ABOUT SCHEER

As a consulting and software house, Scheer GmbH supports companies in the development of new business models, with the optimization and implementation of efficient business processes as well as with the dependable operation of their IT systems. The integrated architecture comprises various consulting solutions and products: it offers dependable solutions for the end-to-end digitization of business models and processes as well as for the implementation of new technologies in digital business.

Do you have questions on these subjects, or would you like to talk with us about specific projects?

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