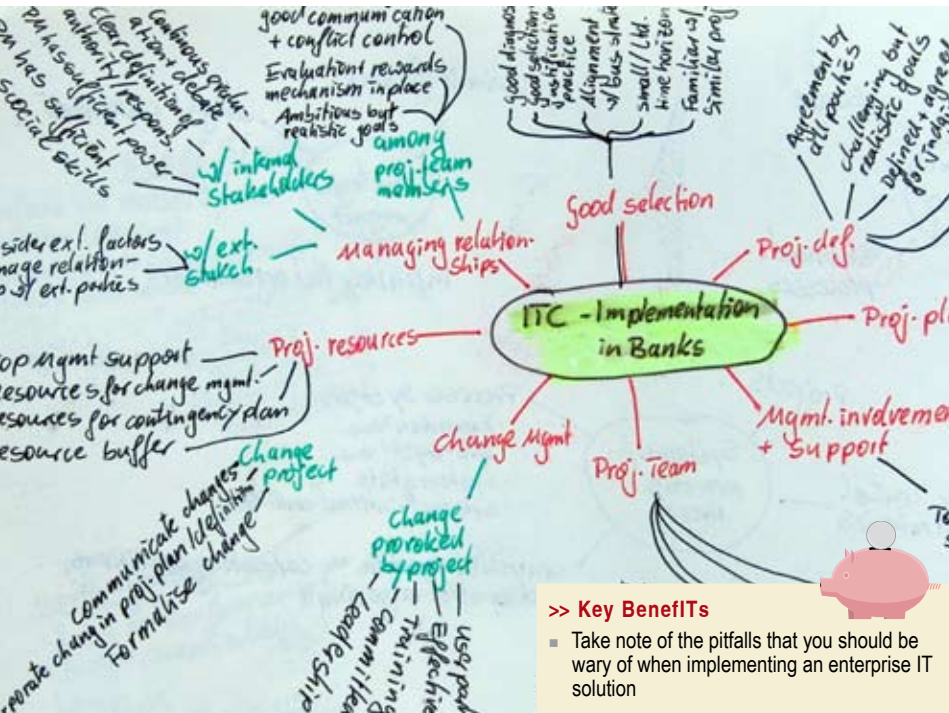


Billu Dyers Ltd (name changed) is a company that grew from a corner shop into a big enterprise. Three years ago, those at the helm decided to implement an ERP solution within the organisation and a reputed vendor was selected. The vendor expected regular interactions with those among the top management, through the entire implementation process. But Billu

Dyers Ltd (BDL) could not afford its top management monitoring the project and guiding the vendor. On the other hand, it wanted the vendor to complete the implementation immediately, putting pressure on the vendor to deploy the ERP solution within a stipulated timeframe. So the vendor went ahead without completely understanding the business processes of BDL. When

implemented, users at BDL found that the ERP solution that was meant to automate and streamline their processes, was more of a headache. Disillusioned, BDL parted ways acrimoniously with the vendor and moved on to another. As earlier, the top management remained inaccessible and did not guide the vendor properly. The project failed again, resulting in huge losses.



IT project management is a crucial issue for organisations even today. This becomes apparent when we look at the number of failed IT projects across different industry verticals.

There are several organisations like BDL, which time and again commit such mistakes and squander their money. Unable to spend time in the beginning to draw out a proper roadmap that fits their business requirements, such companies fail to realise the intricacies of the implementation process because they usually have a pre-conceived notion that IT implementation is as simple as buying a computer and installing it at a particular place. In a nutshell, BDL could have very well been an example of a successful ERP implementation, had its management seen the value of working closely with the vendor right in the beginning.

“The initial phase of the project is the most critical. Not only must the business requirements be enumerated precisely, it should also include the direction the company plans to take over the next five to seven years. Unless this is done properly, the chances of the project failing or being of limited success, is very high. Done properly, it can yield tremendous results in terms of efficiency and profitability,” says Atanu Ghose, head, Technology, DVS.

The Importance Of The First Phase Of Your IT Project

Many IT projects fail because companies do not realise the importance of the initial phase of their IT projects. Here are few points that can, if taken care of, lead your IT project to a successful finish.

The initial phase of an IT project implies requirements gathering and analysis. Experts also call it the Requirements Definition or Scope Definition Phase. This indirectly determines the future course of action of an organisation. "Any defects in the system are removed in the initial stage. While it may not directly influence the future course of the organisation, it does directly impact the project. And if the project is impacted, it will surely leave its impression on the organisation," shares Prakash Seernani, COO, Synlog.

The clear-cut goal of an IT project

There can be no successful project without clear-cut goals defined beforehand. Usually current business requirements are given a cursory glance. And companies try to implement solutions that are to meet the business goals of tomorrow. They forget that 'tomorrow' is only relevant if they have gone through 'today' successfully. "The companies do not have a clear vision of their goals. Often they define what they want and not



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what they really need," opines Ghose. According to him, the companies should focus on automating the current business processes rather than focus on what may come up in the future. Hence streamlining the existing processes remain half-done.

If the company is not able to define its goals properly, it should rope in a vendor to do so. In which case, the vendor would be able to deploy a properly customised solution based on current business requirements. "The company must be able to articulate the business problem or goal clearly and the IT vendor must be able to understand and clearly propose a solution that both parties are aligned with," adds Sumeet Sabharwal, MD, Navisite.

"The project governance document should be in place if the project size is reasonably big and it demands a variety of subject matter experts. The governance team consists of the key stakeholders from the vendor and the client to address the issues that might come up due to 'Scope Creep', change management, resources utilisation, human errors, risk management, mitigation, etc."

Certain agreed upon best practices

Here are some best practices that should not be overlooked while specifying the requirements of an IT project:

- Clear understanding and documentation of the business process(es)
- Capturing the expectations of the business users or process owners
- Mapping the business requirements to the technical capabilities of the software: Create a matrix map and review it with the stakeholders
- Visual modeling of business requirements through prototyping, mock-ups or screen images that can be reviewed
- Keeping the requirements, change management and approval process in place
- Maintaining and updating the requirements repository to build use-cases and test-cases, and vice-versa
- Country specific legal, statutory, and regulatory requirements to be tracked
- Keeping abreast of industry specific requirements such as standards, practices, and business rules
- And of company specific requirements such as practices, and business rules

Common factors contributing to a project's failure

- Inherent complexity of applications being implemented
- Outside consultant issues
- Inadequate training to employees
- Process risk and process barriers
- Competitive corporate culture
- Over-customisation of software
- Using IT to solve every problem
- Nonchalance of middle level employees
- Infrastructure issues

suggests Shiv Kumar, executive vice president, Business Development, Zylog Systems Limited.

"So it's very important for the vendor and client to define and agree on the project level goals and performance metrics; and this should



Nitin Paranjape, director - Application Sales, Commercial Accounts, Oracle India

“Before any IT deployment...the customer’s direct inputs and understanding of the project requirements are extremely important to help arrive at the solutions required by the customer organisation.”

be supported with proper SLAs (Service Level Agreements),” adds Kumar,

Co-ordination between vendor and customer

As we saw in the case of BDL, most IT projects fail because of a lack of co-ordination between the vendor and the client. Nitin Paranjape, director - Application Sales, Commercial Accounts, Oracle India, suggests, “Before any IT deployment...the customer’s direct inputs and understanding of the project requirements are extremely important to help arrive at the solutions required by the customer organisation.”

There are two significant ingredients that can help both the vendor and the customer co-ordinate better:

The vendor and customer are partners: What is critical to understand, if you want to avoid the mistakes Billu Dyers Ltd, is that buying an application is more of a partnership than a commercial transaction. This is because the application you



Sumeet Sabharwal, MD, Navisite

“The company must be able to articulate the business problem or goal clearly and the IT vendor must be able to understand and clearly propose a solution that both parties are aligned with.”

buy needs continuous support, timely upgradation, and proper maintenance, among other things. Both parties, in other words, are set to become long term partners.

A continuous focus on communication: Once you have partnered, the frequency of communication will also matter. Billu Dyers paid no attention to communication till the failure at their premises. “One of the essential aspects of successful IT projects is a continuous focus on communication and consensus building among the various stakeholders,” says Sabharwal. “Communication is the key to reducing the errors in this phase, and increasing the probability of the success of the project. In an IT project, there is no such thing as over-communicating,” adds Seernani.

Software is not magic

Companies often have unrealistic expectations from ERP, CRM or other applications, in the belief that somehow work processes will be made easier. Such pre-suppositions had already caused unlimited losses to organisations like BDL. “Clients



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often think that software is magic and that no matter how illogical the work is, it can be done using software. This leads to a great mismatch between what the vendor can do and what the customer wants,” remarks Ghose.

Total cost of ownership

For any company that’s deploying solutions, it is necessary to know the total cost of ownership in the first place. “Understanding the total cost of ownership, from initial deployment to ongoing maintenance, training, staffing, and hardware needs, helps firms make a cost-effective selection decision,” says Paranjape.

To conclude, the initial stage of an IT project is perhaps the most important phase of any software implementation. This is like a child that needs to be well nourished and properly educated to become competent enough to face the challenges of life. If you are planning on a software implementation, don’t make the same mistakes that Billu Dyers Ltd did. ■

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