

Best Practices For Evaluating Distribution Solution Providers

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Presented by:

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My Background

- 15 years in specialty retail & wholesale distribution
- MBA, Carlson School of Management, University of Minnesota
- Product Marketing, Epicor Software

You have to be courageous

- ERP initiatives are very challenging
- There is risk involved with any decision
- Rationale must support the long-term business plan

Don't dwell on what you don't want

- Too much focus on hazards will take you off course
- You will stumble and crash often
- Results will be suboptimal





Here's what you don't want

... Or worse!

Here's what you do want

1. An evaluation that involves THE leader
2. Complete, thorough planning
3. A technology partner who understands what you do
4. Some vision of what your business could look like in the future and how you will compete
5. A technology partner with a long-term vision
6. Guiding principles – things to keep in mind

What does an evaluation look like?

- Identification of wants & needs
- Development of RFI & RFP
- Technology provider search
 - May even require outside help
- Contender evaluation
 - RFP
 - Initial meetings
 - Demonstrations
 - Proposal
- Negotiations
- Contract signing

1. Leadership

Have to—Survival

- Top-down
- Smaller evaluation team
- Tight timeline

Want to—Strategic

- Bottom-up
- Larger evaluation team
- Flexible timeline



Select an “A” Team



- Expertise—technical & functional
- Planning & business operations
- Change management & communication
- Benchmarking & measurement
- Follow-through & execution
- Course correction

2. Planning

- Identification of stakeholders & needs/wants
- Timing & sequencing
- Resources & task assignment
- Decision making process / stage sign off



Key planning considerations

- Budget & timeline
- Constraints & limitations
- What about my day job? – team backup!
- Meeting & communications



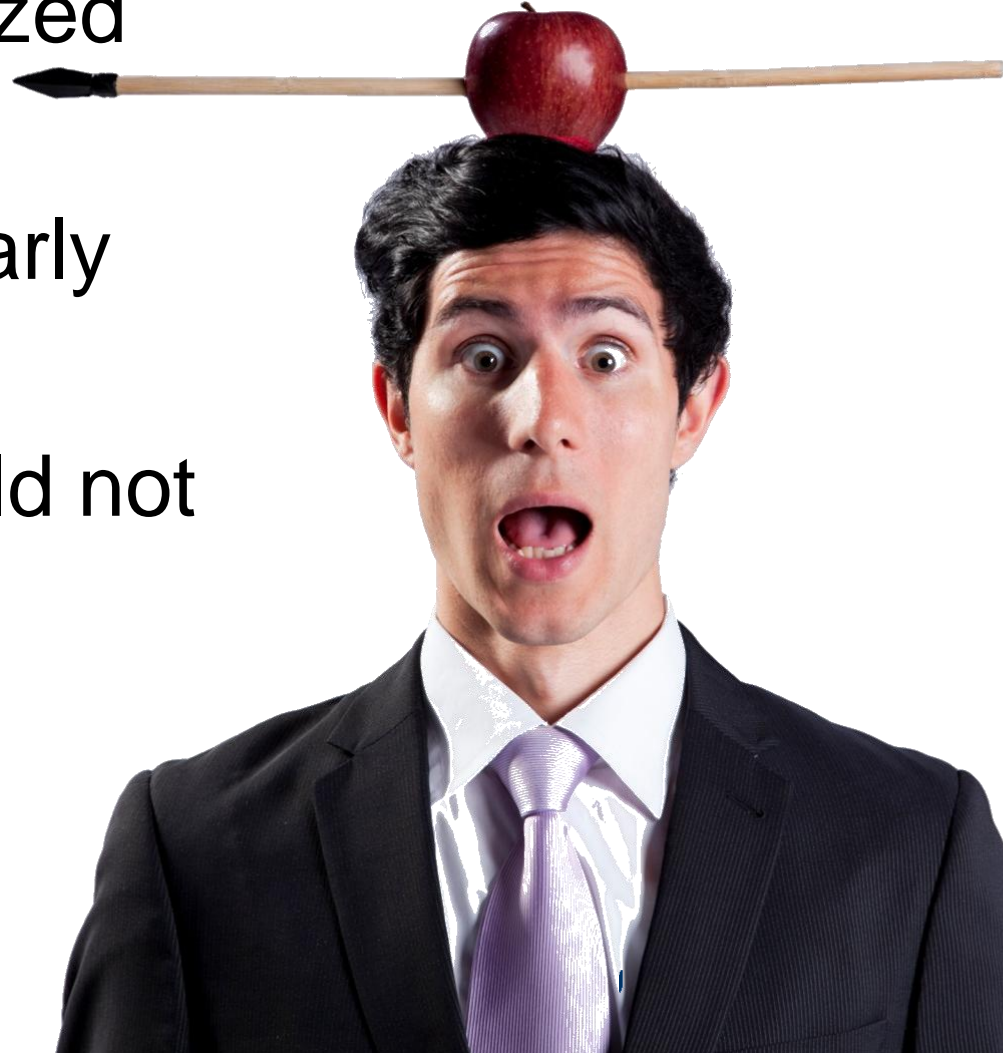
Remember the what if?

How will we...

- Take/get orders into the system
- Get orders out the door & to the right place
- Invoice & collect receivables
- Pay our suppliers (maybe employees, too)

3. Partner who knows what you do

- ERP *is* now specialized
- Value should be demonstrated & clearly articulated
- Customization should not be frightening



Technology partner search

- Internet / independent consulting firms
- Suppliers, customers, non-competitive peers
- Trade associations
- Events like this one



Technology partner selection

- Your detailed RFI / RFP to refine
- Intro meetings & demos to shortlist of 3
- In-depth meetings & demos as needed
 - Technology
 - Functionality
 - Knows your business/industry
- Proposals from at least 2
- Ability to negotiate best mutual outcome
- Multiple references

What you should expect

- Courtesy & professionalism
- Response to all concerns / issues
 - Multiple deflections should be a warning!
- Professional demonstrations conducted to your script and business issues
- A demonstrated implementation methodology
 - Meet the services team

4. The vision for your business



5. Tech partner with long term vision

ERP

- Service Management
- Project Management
- Financial Management
- Continued Global Rollout

Technology

- Platform
- Performance
- Social
- Mobile Apps
- Continued Global Rollout
- Microsoft Azure

ERP

- Distribution
- Services and Contract Mgt
- Rental Eqpt.
- Enterprise 2.0
- Continued Global Rollout

ERP

- Prof. Services Convergence
- Leasing Mgt
- Continued Global Rollout
- Consumer driven UX

ERP

- Tier I Retail Convergence
- Focus Solution Convergence
- Continued Industry Focus
- Community driven ERP

2011

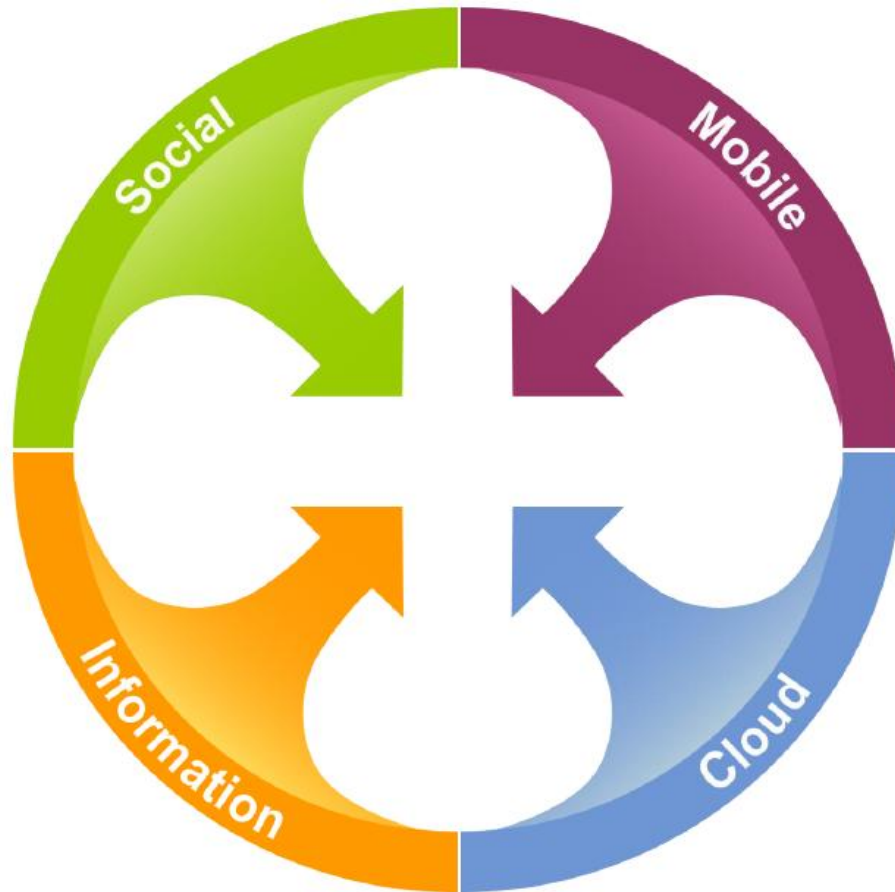
2012

2013

2014

2015

The “Nexus of Forces”



People's behavior is at the core of the nexus of forces:

- Creating new business opportunities
- Generating new patterns of data
- Superseding the limitations of “old school” IT and Business paradigms

Gartner Inc. : The Nexus of Forces Opportunity. July 2012

Gartner.

6. Guiding Principles

“Walk now, run later.”

“Our own ideas about how we use the software will determine our success.”

“It will never be easier or less costly than now.”

What else to keep in mind

- Your project will fail without proper change management
- There is no “one-size-fits-all” strategy for ERP
- No ERP software is perfect – all have strengths, weaknesses, & tradeoffs
- Selecting the right software is the first step in a successful implementation
- ERP is about your business, not the technology

Source: Panorama Consulting

Parting thought...

“If you dislike change, you're going to dislike irrelevance even more.”

— Gen. Eric Shinseki, U.S. Army Chief of Staff

For More Information:

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