Mike Riffle:	Welcome back to Plante Moran's ERP Podcast series. I'm Mike Riffle, Senior Consultant with Plante Moran, and I'm here with Adam Rujan partner, and Tracey Rau, consultant, from Plante Moran's Technology, Consulting and Solutions ERP team. In our first podcast, Tracey and Adam shared some real life examples of when and why governments review the fit of their current ERP system. In the second podcast, Adam and I discussed how to perform an ERP needs assessment. Today, Tracey and Adam are discussing the next step, the system selection process. Adam and Tracey, welcome back.
Tracey Rau:	Hi Mike.
Adam Rujan:	Thanks Mike.
Mike Riffle:	So Tracey, what does the government need to take into consideration when selecting a new ERP system?
Tracey Rau:	Well, first its important for a government to identify which software system will best match its current needs, but will also be flexible enough to adapt with the organization's future strategic plans and goals. Technology has really been changing very rapidly lately. One item that the governments may not be aware of, and we try to educate them on the evolution over the past five years of the ERP software development methods or models available in the marketplace. There's traditional versus hosted, versus software as a service, otherwise known as SAS. The recent trend in the market has been towards the SAS deployment method, or the cloud computing model. Each deployment method has its positives and negatives, and as such a total cost of ownership model should be taken into account when deciding on a method.
Mike Riffle:	So Adam, where can governments turn to when they need help with their software selection initiative? I know while there's a few companies out in the marketplace today who help governments with software selection, there are various blogs and a ton of web based templets that also help governments through the process. What are the differences between utilizing those informal web based tools versus the Plante Moran's system selection solutions or methodology?
Adam Rujan:	Well, I think the thing for the clients to really think about is really what's the size and the risk of the project, and so the ERP projects tend to be quite large and quite complex generally. And this really applied to any sort of software selection. Really, what's your comfort level, and do you really feel that you would get good value out of hiring a professional who's been through this before?

So some of the key questions to ask; Have you done this before, or has your staff done this before? Have you been through the selection implementation of an ERP system? Do you have a good understanding of what's happening in the marketplace today, the Tier I systems, Tier II, Tier III systems, which ones would |

apply best to your size and situation? And really making sure that we understand really what they call sort of vaporware, which are vendor promises versus what's really out there and available on the market. Then the last question is; What's the impact of the decision on the organization?" That really drives the risk factor. How pervasive is this? How many departments would be involved? That type of thing. Is it really worth getting outside advice, depends on again the level of risk that we're trying to mitigate.

Mike Riffle: So Adam, then it sounds like you're saying that really a hands on approach, and that public sector experience with better refinement of the selection process and really tailoring the project to the government's specific needs, their specific requirements, and then their short term and long term goals.

Adam Rujan: Yeah, in my experience, there are a number of areas where clients will benefit from those types of services. In our approach, for example, we try to take clients through a very structured approach to identifying what their specific needs and requirements are. We are vendor independent completely, we don't sell software, we don't sell hardware, and we don't sell any programming services. We've been at this for 25 years, so we've got a nice compilation of best practices, whether it's through selection or into the implementation, we help our clients stay on time and on task, and meet their budget objectives.

Probably one of the biggest value ads that we provide for clients is helping them negotiate these contracts with these vendors. These contracts tend to be fairly long, fairly complex, and we've got, like I said, 25 years experience at doing this. We usually start with the last best contract that we had, and we move forward from there, and our clients really benefit from that. You may not see it if everything goes well, but if something goes wrong, you'll be glad you got a good airtight contract.

Mike Riffle: So I know that both of you have led a number of system selections over the years, and I know that you've solicited client feedback. How do governments view Plante Moran's selection process? Tracey, what's their feedback?

Tracey Rau: Well overall they definitely like our structured process and approach. We define their key requirements, we create the RFP that gets sent out to the vendors, and we create demo scripts that are specific to the client's requirements rather than the vendors running the demo. So they are able to see what they want to see, not what the vendor wants to show. We also help them facilitate with their internal meetings, and we also shield them from the vendors and so that we make sure that everything is communicated the same to all the vendors.

Lastly, as Adam mentioned, we do help them through a due diligence price negotiations in the contract, and governments really leverage our experience to select the best system and the best value possible. Specifically items that our clients recently highlighted as being strength of our process that include our knowledge of the vendors in the marketplace, our ability to fit the selection process into their timeline. They also like that we help them with fact based

decisions. Our in depth contract review process saves them much money over the long run. Lastly, with today's economy and the things being as tight as they are, they like how we effectively utilize their people's time and resources through our process.

Mike Riffle: So then Adam, what are some of the specific best practices that you can recommend to governments as they consider an ERP system?

Adam Rujan: The best advice that I would have is first off, keep all your options open. Don't walk into it with a preconceived notion. Perhaps you can get more life out of your current system, but by the same token, it's usually worth going and kicking the tires if you will. So I would take a scan of the market and be open to what's out there. You never know, you might find something that's really better, like we mentioned before in the series, the technology is moving pretty quickly, so there's a lot of good stuff out there. Secondly, try to have a good handle on where you're going to derive value. So, what are some of the best practices that are out there, what are others doing with these systems? What will these systems allow you to do from either a productivity standpoint, or from a customer service standpoint? And having that in mind, as you look at these systems, again, ties back you back into a good return on investment model.

Thirdly I'd say develop a budget, and by that I really mean a realistic budget. Have a good understanding of what type of system your organization's gonna be looking at, again is it a Tier I, a Tier II, a Tier III? And have a realistic picture of what the cost of those systems are before we head out to the market to avoid any bad surprises or things of that nature. A fourth item to consider is to take a look at overall technology wise what do you have in your organization and how would a new ERP fit within the existing systems and within your existing networks and so forth? Then having a good understanding of other risks, business risks related to the selection, implementation or ongoing ownership of the system is another key area.

Then I think probably the last thing is really being prepared for change. The new systems offer a lot of functionality that the last generation of ERP systems really did not. So that really affords clients and opportunity to streamline processes, to streamline procedures, which all relates back to change for their people. So making sure that the people are brought along, make sure that the people really understand things, managing that change process is another key area to keep in mind.

Mike Riffle: So then in summary, Adam, what really should our podcast audience be looking for when their choosing a firm to help them with their ERP selection decision?

Adam Rujan: I think in looking for a firm and looking for a professional to help you through this, I think there ae a couple of keys. One is you want independence or objectivity. You want to make sure that your firm is independent of the vendors that are out there. Software, hardware, programming services, so that they can truly give you just pure advice and good advice. Secondly, we want to make sure

that they have experience with ERP systems in the full life cycle from selection all the way through to implementation and ongoing use of those systems, so that they really understand what's happening in the process and what's going to happen next, so that they can best advise their clients.

I think thirdly, public sector experience is key for a couple of reasons, one the vendors, the ERP vendors in the public sector are different than they are in the commercial sector. In fact, they're just different systems. If you think about it, public sector is all on fund accounting, the private sector does not use that basis of accounting, and you can start walking your way through all of the different processes, they are very much different, and understanding what the best practices are in public sector, and really having that experience plays out in these types of systems, even perhaps more so than some of the other systems that you might be out there looking at.

Then the last item is a proven track record, you want to make sure that somebody has experience with clients, similar past successes that they can hang their hat on. Having done this before, having done it a number of times, it's like anything else, you get better at it over time. Having a good long track record of success is really what's your looking at. Because what you're trying to do is mitigate risk, making sure that whoever you hire helps you really do that is gonna be the key.

Mike Riffle:	All right. Well Tracey and Adam I think we're just about out of time for this podcast, and thank you so much for your time today. In our next and final podcast, we'll address completing the ERP life cycle through implementation. If you would like more information regarding ERP services or a complimentary meeting, please contact Adam at 248-223-3328 or Tracey at 248-223-3820, or visit us online at www.PlanteMoran.com.