



5 TIPS FOR A SUCCESSFUL SUPPLY CHAIN SYSTEM IMPLEMENTATION

5 Tips for a Successful Supply Chain System implementation!

There have been several high profile failures in the implementations of Supply Chain Systems. In 2004 Sainsburys £3 billion investment in Supply Chain systems resulted in a lack of stock on the shelves and a £260M write off ^{1,2}. In 2011 SuperDry's stated that a £6 - £9 Million loss in profits were due to issues with a warehouse system implementation ³.

So if large corporations can't get it right what steps can SME's take to ensure a successful software implementation?

Logistics Partners have a 12 year track record of managing supply chain systems and logistics technology projects that run on time, within budget and without unplanned disruption to the business. Below Lynn Parnell, owner of Logistics Partners shares her top 5 tips on how we achieve this.

Tip 1 – Create a Clear Project Definition with Measurable goals

At the start ensure you **agree** what you are trying to achieve and **document** it. This should involve all stakeholders within your company including HR & Finance and providers of Supply Chain systems or logistics technology that are part of the project. This should include:

- **Why** are you doing the project? e.g. To solve a current problem, introduce a new service?
- **How** will you know if it is a success? This must be measurable quantify projected saving, number of new customers, increase in throughput. This is how you will know if the project is a success?
- **When** is the system required?
- **What** are the risks with the project?
- **What** is outside the scope of the project?

Tip 2 – The Business Should Lead the Project

In my experience Business lead projects have a higher success rate than I.T. or external lead projects. The project needs to be driven by someone who will be affected by the outcome of the project and can **focus on the results**. I.T. must be actively involved to ensure the software can be supported. External resource may be needed to provide support e.g. consultants, project managers but the business needs to **retain ownership**.

Tip 3 – Select a Strong Executive Sponsor

This is the most important project role, and should be someone who:

- **Understands** the **business** and what needs to be achieved
- Is a **stakeholder** and has a vested interest in the projects success.
- Has the **power** to make things happen and can change **resource, priorities** or **direction**

- Has **time**, this is not a day to day project role, but the sponsor needs time to keep up to date on the project and be available to make decisions when needed
- Is **decisive**. Sometimes you will just need someone to make a decision quickly so the project can move forward

Tip 4 - Involve people that do the job now

Do not assume Managers or I.T. know the actual job. People doing the job on a daily basis have the **knowledge** to make the project a success. On larger projects key staff will need to be released from current work and require cover, which may increase costs. But involving users will:

- Ensure a **useable** system
- Help with **communication**, users talk to their peers about the project
- **Reduce costs** as they can test, train and provide ongoing support
- Ensure users take **ownership** going forward as the system was not imposed on them

Tip 5 – Minimise Changes to Software

Do not change software to suit a bad operation or *'because this is how we have always done it'*. Be open to **progress** and change.

Packaged Software is designed around industry **good practice**, so adopt this. Only customise **as a last resort** as this causes delays, adds cost and complexity to projects, increases risk and increases ongoing costs.

To find out more about how Logistics Partners can assist you with your supply chain systems or logistics technology project please visit www.logisticpartners.co.uk/projectmanagement



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