ERP implementations, by their very nature, have far-reaching implications for the business as a whole. Impacting on the way that processes weave through the different departments and functions.

For companies planning to implement an ERP solution for the first time, or change to a new type of ERP system, a clearly defined plan is needed, if the significant risks linked with the implementation are to be mitigated.

The two most frequently used ERP implementation strategies are a big bang approach or a phased rollout.

Big bang or big pain?

As its name suggests, the big bang approach is when all the main modules of an ERP system go live at the same time. All users move to the new system on a set date.

The theoretical advantage of this strategy is its shorter implementation time to get all users processing together on a single application.

The business doesn’t have to operate on two or more different computer systems and in an ideal world, everyone moves together on the same day. It should also avoid the need for temporary interfaces between old and new systems.

**The driver:** reduced implementation roll-out time resulting in lower costs, and transition compressed into a defined time period.

But technology ideals have little bearing on reality, particularly when you involve multiple critical business functions; and so this approach is not without significant risks/points of failure.

Dangers associated with big bang implementations

Generally, big bang implementations are considered to be riskier than phased rollouts as it’s sink or swim when the new system goes live.
The reassurance of a phased rollout

The alternative to a big bang, or all or nothing approach, is to introduce phasing.

In a phased rollout, changes are made over a period of time with a scheduled plan of steps to guide transition from old to new.

The advantage of this strategy is that if anything goes wrong, issues can be contained. It’s also easier to temporarily revert back to your old system, if required, while the problem is rectified.

For businesses with multiple sites across a region, a phased approach is generally less risky as you can pilot a rollout and then gradually deploy to the other sites. This is often the strategy used by large multinationals, who will build and test a core (“kernel”) solution, made up of common functionality and processes, before applying localisations as part of the phased roll-out of the solution.

For smaller organisations, it may not be worth committing to a highly staggered plan; however, some phasing is prudent.

With a phased approach, employees can adapt and pick up experience with each phase, which makes the process smoother. Training is staggered, so changes in performance are experienced by each department as they transition rather than by the entire business. Lessons can be learned from earlier phases, and acceptance testing improved.

It also takes the pressure off the IT department as details and issues can be fixed or refined with each phase.

The business implications of phased implementations

The alternative to a big bang, or all or nothing approach, is to introduce phasing.

By their very nature, phased rollouts will take longer overall than a big bang implementation.
However, the experience they gain in the first phase of an implementation can reduce their dependence on ERP consultants in the latter stages.

**Summary**

When devising an ERP implementation strategy, you may need to consider other factors relevant to your business that could influence your decision.

Projects of this significance not only have an impact on internal teams, but also on the wider organisation. Therefore, it’s crucial to look at the potential effects of a big bang versus phased approach on your teams. Risk mitigation and management of business change need to be a critical management focus during the life of the project.

For the duration of a big bang implementation, pressure is intense as there is so much activity going on at once. It’s essential to understand in advance how much work your teams can handle, and if you have the necessary resources to adopt this strategy across multiple countries, regions or business units.

The end to end testing required for a single, big bang implementation is considerably more critical than for a phased implementation, as there is only one chance to ensure your acceptance criteria is correct, and no opportunity to benefit from lessons learned on future roll-outs.

It’s a risky strategy that often results in more time and more money being spent, defeating the objective of going ‘big-bang’ in the first place.

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**Financial considerations**

The financial benefits of an efficient ERP solution are considerable and it’s worth bearing this in mind when you look at the cost of implementation.

An ERP solution will require the external cost of ERP consultants as well as internal overheads if employees are needed to work on the deployment. There may also be the cost of any temporary interfaces required.

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### BOTH HAVE +/- ASPECTS

**PHASED ROLL-OUT**

<table>
<thead>
<tr>
<th>PROS</th>
<th>CONS</th>
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<tr>
<td>- Less risk</td>
<td>- Takes longer to be fully converted</td>
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<tr>
<td>- Skills and experiences are gained with each phase which can help smooth the process</td>
<td>- Not as focused as Big Bang</td>
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**BIG BANG**

<table>
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<tr>
<th>PROS</th>
<th>CONS</th>
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<tr>
<td>- Shorter implementation time</td>
<td>- High risk</td>
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<tr>
<td>- Lower costs</td>
<td>- Failure in one part of the system may cause problems in others</td>
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However, with a phased approach, it is usually possible to gain some early business benefits, with the first phase going live ahead of the overall solution.

Temporary interfaces may be required to bridge the gap between old and new systems during a phased rollout. If you can reduce the number of temporary interfaces needed for a project it will help keep costs down.

Each phase may rely on information from a previous or later stage and this is where phased rollouts can be challenging, but an expert provider will help you to overcome this issue.

**Phased rollouts can save money on external consultancy costs if project teams gradually build up a level of expertise.**

The experience they gain in the first phase of an implementation can reduce their dependence on ERP consultants in the latter stages.
Alternatively, a phased approach is not as pressurised as there's more time for rollout and the business can gradually get used to the features of the new system. If the first phase of an implementation is successful and a team immediately experiences the benefits of the new system, then it creates confidence and enthusiasm within the organisation.

Working with an experienced ERP provider will help you to establish the implementation strategy that's right for your business and offers the best long-term results.

Each company is different, making it incorrect to say one option is more suitable than another. The decision boils down to time frame, budget, resources, and the acceptable level of risk.