



## **ERP Readiness Assessment Program**

### **Overview**

The purpose of the readiness assessment review is to determine whether an organization is ready to implement an automated accounting or Enterprise Resource Planning program. The assessment is a measurement of the state of current processes before beginning an ERP implementation regardless of the chosen software product. The results will help ensure that an ERP implementation meets or exceeds the established goals that have been set for the initiative. It involves a wide range of questions and discussions in the following areas:

### **Corporate Philosophy, Vision and Mission**

The corporate Philosophy, Vision & Mission are reviewed and documented to ensure that all stakeholders have a common understanding of the values that drive the organization. This common understanding of business philosophy is vital to the success of any global initiative. Global business goals and objectives are reviewed and documented to ensure that there is consensus among the stakeholders regarding the path necessary to fulfill the vision and mission of the organization. These goals and objectives help establish specific ERP goals for guiding the team in making investment decisions on capability, scalability and cost.

### **ERP Business Goals and Objectives**

ERP Business goals and objectives are reviewed and documented to ensure that there is a clear definition and understanding of the business value that the ERP project is intended to deliver. These benchmarks become the baseline measurement for all decisions made regarding the design, execution of business processes, technology design, and implementation. With clear goals, the chances for a smooth implementation will increase and return on an ERP investment will be maximized.

### **Organizational Structure and Culture**

The organizational structure and culture will be reviewed and analyzed for suitability to an ERP implementation. The functions of corporate organizational units and their interrelationships will be analyzed to insure that clear lines of data and process ownership are defined and understood. Also, the organization will be evaluated in terms of its cultural attitude toward information sharing and the degree to which common, customer centric, business views are held.

## **Process and Data Flows Documentation**

All existing documentation of business processes and data flows will be recognized and reviewed with clients' project staff to assess the general accuracy and completeness of the documentation. This documentation is key to designing the system and will ensure that the automated system will accurately reflect the complete business processes and the desired operational management controls.

## **Existing Technical and Data Infrastructure**

The existing network and systems infrastructure will be reviewed to identify any potential systems integration points and infrastructure enhancements that may be required as a result of an ERP implementation.

## **Functional Breakdown**

In preparing your organization to move to an automated system, all aspects of the current operating system must be evaluated in terms of automated standards. Each component portion of an accounting system will be reviewed and recommendations will be made for an alteration or upgrade in operating system to prepare for the eventual deployment of technology. The goal is to prepare the company for a smooth transition over time in order to achieve maximum benefit from automating general ledger systems. The following breakdown of the business and functional areas describing the specific processes and data elements will be reviewed for each area.

### ***General Ledger***

General Ledger is the heart and sole of an accounting system. When applicable, the following component parts of a general ledger system will be evaluated:

- Account structure
- Unique account structures for each company
- Statistical accounts:
- Allocation accounts
- Budgets
- Fiscal periods
- Prior-year adjustments
- General, recurring and auto-reversing entries
- Journal entries
- Batch posting
- Reporting options
- Financial statement requirements
- Methods of financial analysis
- Consolidations
- Provisional reporting

### ***Reporting***

Reports currently being generated by your firm on an ongoing basis will be evaluated and opportunities for upgrades recommended based solely upon reports currently offered in standard ERP programs.

### ***Bank Reconciliation***

Current reconciliation methods and requirements will be analyzed including the following if applicable:

- Types of cash accounts
- Number of bank accounts
- Transfers
- Types of deposits

### ***Payables Management***

Payables Management is essential to provide effective control over your expenses. By automating the processes you need to efficiently manage purchases made on account, an organization will be better able to track vendors, manage vouchers, process payments, and analyze vendor performance. Some of the areas to be evaluated when considering implementing an automated system are as follows:

- Scheduled payments
- Vendor information entry and maintenance
- User-defined information
- Notes added to records
- History of accounts
- Vendor classes and class change
- Posting accounts per vendor
- Number and types of recurring transactions
- Tax calculations
- Payment types and

### ***Receivables Management***

Proper Receivables Management gives you effective control over your accounts receivable. Automating the processes you need to efficiently manage sales made on account will help you track customers, manage invoices, process receipts and analyze customer activity.

- Entering and maintaining customer information
- User-defined information
- Customer history requirements
- Notes added to customer records
- Customer classes
- Salesperson and sales territory tracking including commissions
- Credit limit information
- Customer hold types
- Invoicing requirements and frequency