NIGP
FORUM
2025

80TH
Rooted in
History, Leading
With Vision

Sitting at the Head of the Table:
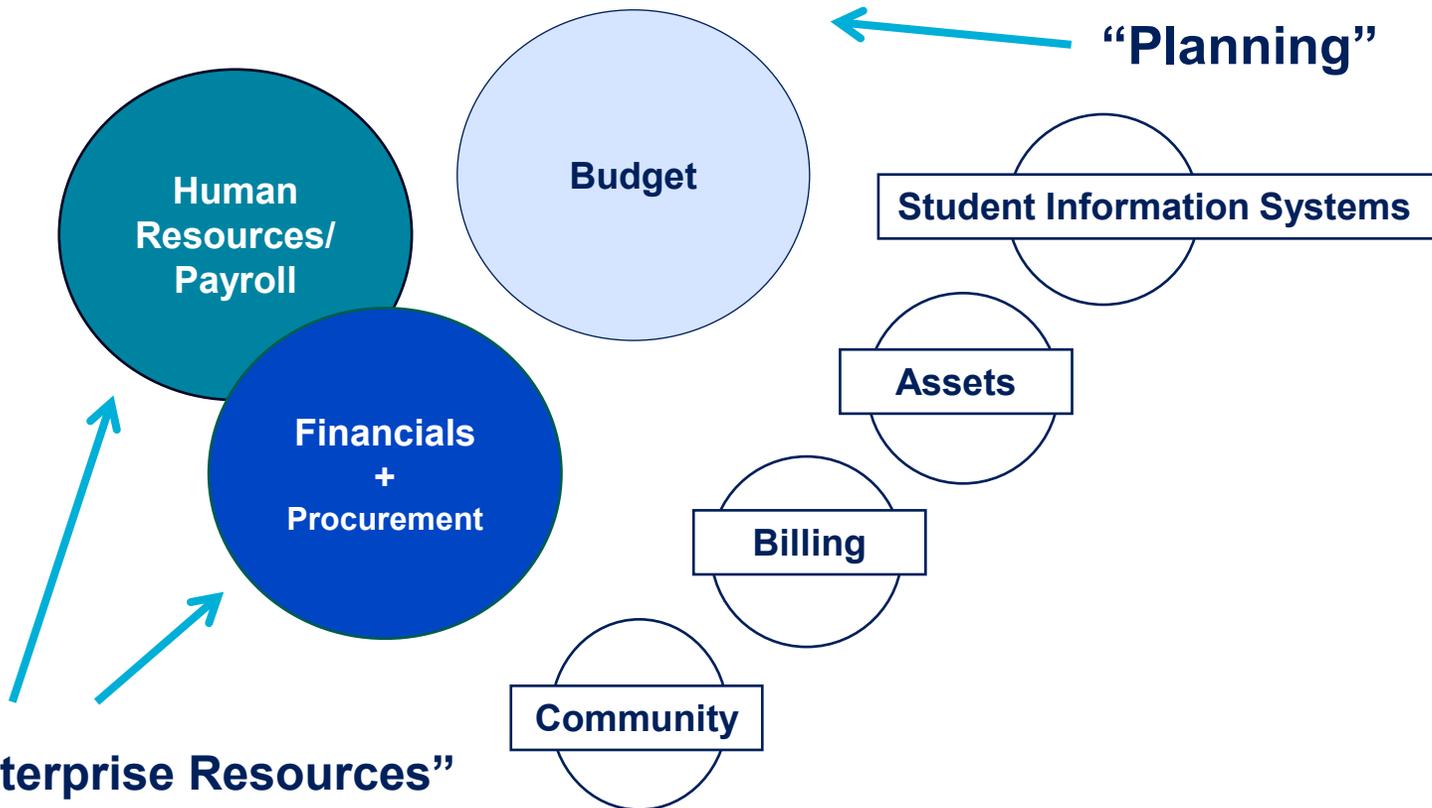## Skills to Lead Your Next ERP Project

Workshop Part 1

10:30 – 11:45 AM
Sunday, July 27, 2025

Mike Mucha
GFOA

What makes an ERP project unique?

1) It's a software project (that really is not a software project)

2) It's generally focused on finance, procurement, HR and IT (but really involves everyone)

3) It has a start and end (but really starts long before the official start and never ends)

4) It has a clear plan (that will likely change)

5) It requires leadership and commitment (but leaders often emerge throughout)

6) Everyone goes through an ERP project (but they happen very infrequently, so everyone is "clueless")

7) We look for vendors with experience (but the market keeps changing and vendors often can be knowledgeable on "bad" public sector practices)

8) **You are the expert (you just don't know it yet)**

What is an ERP Project?

Budget

"Planning"

Human Resources/ Payroll

Financials + Procurement

Student Information Systems

Assets

Billing

Community

"Enterprise Resources"

Software (Tool)

Process

Policy

People

Why is ERP Challenging?

⚠ CAUTION

- Inexperience with big projects

- Level of effort

- Balancing project role with day-to-day roles

- High profile and expensive

- All change is difficult

- Competing visions

- Technology is complex and may be different

- Vendors can be difficult

- **Governments can easily fall into common ERP traps….**
  - Don't recognize "enterprise" impacts
  - Focus on inputs rather than outcomes
  - Start without a vision
  - Assume technology solutions will generate huge returns
  - Fail to prepare for process and policy change
  - Lack clarity on roles, decision making authority, or conflict resolution
  - Minimize risk vs. maximize value
  - Over analyze irrelevant risks and fail to address main sources of failure

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A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.

Winston S. Churchill

Taking a New Approach to ERP Projects

The procurement professional's opportunity to lead.
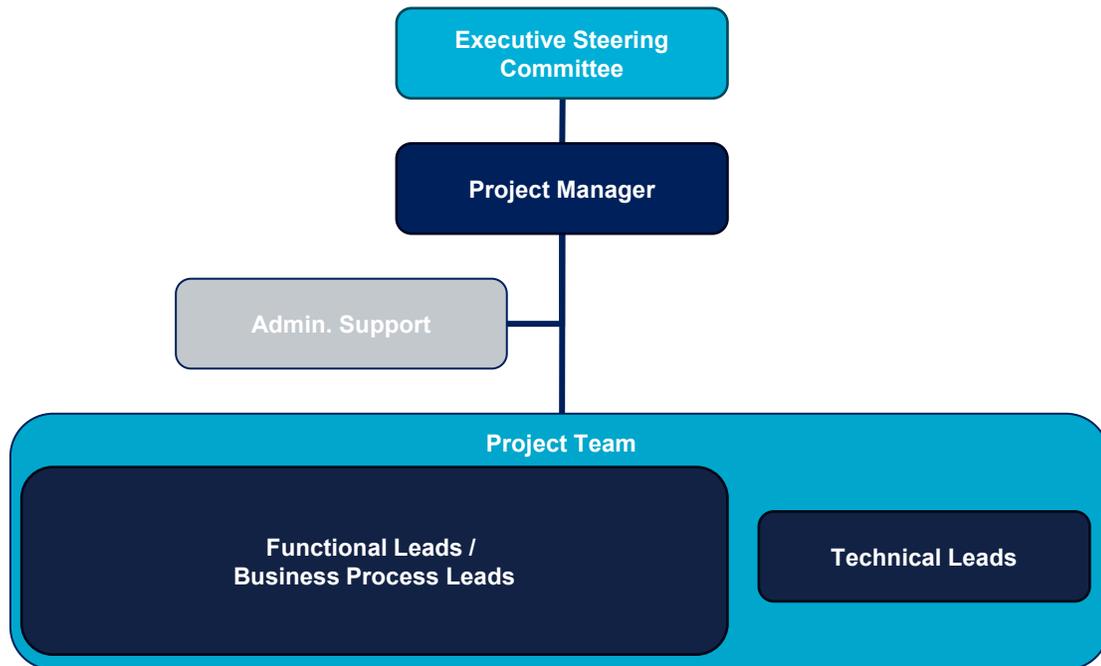
Advocating for the Role of Procurement

Readiness and RFPs

The Evaluation Process

Role of Procurement for ERP

Creating a Clear Role for Procurement

Where does procurement fit?

Where does procurement add value?

Executive Steering Committee

Project Manager

Admin. Support

Project Team

Functional Leads / Business Process Leads

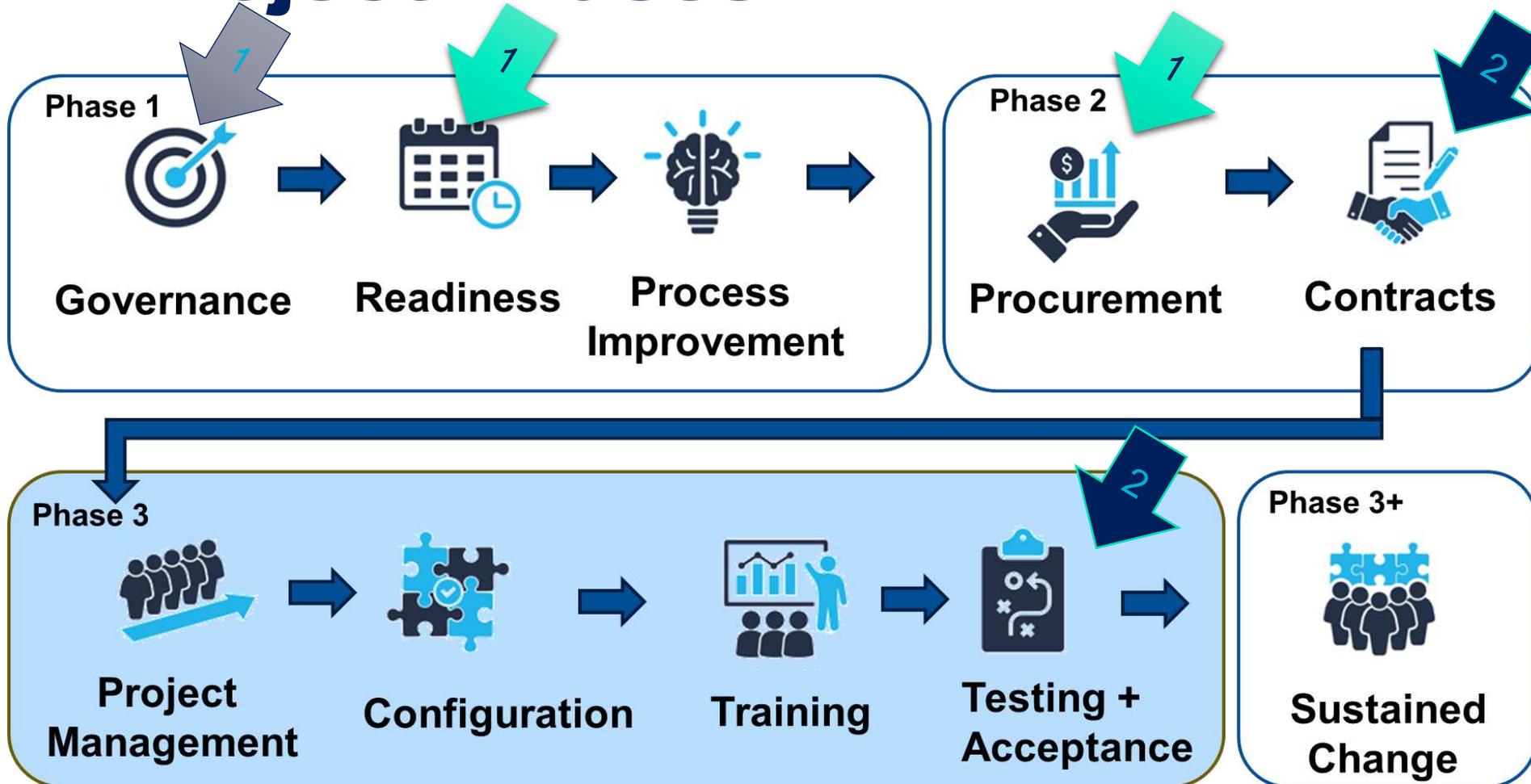Technical Leads

Role of procurement during an ERP project?

Procurement has many roles

1) **Contract administrator for current agreements**

2) **Project planner (working on RFP)**

3) Process improver (readiness for project)

4) **RFP contact**

5) **Evaluation team facilitator**

6) **Contract negotiator**

7) Subject matter expert

8) End user

www.gfoa.org/materials/gfr0625-one-hat

Readiness and the RFP

ERP Project Phases

Phase 1

Governance → Readiness → Process Improvement →

Phase 2

Procurement → Contracts

Phase 3

Project Management → Configuration → Training → Testing + Acceptance →

Phase 3+

Sustained Change

RFP = Request for Proposals

- Used to determine best value in situations where detailed requirements are not known or **where solutions to meet requirements can vary.**

- Evaluation completed with pre-established criteria.
  - Selection made on combination of 1) non-price and 2) price criteria
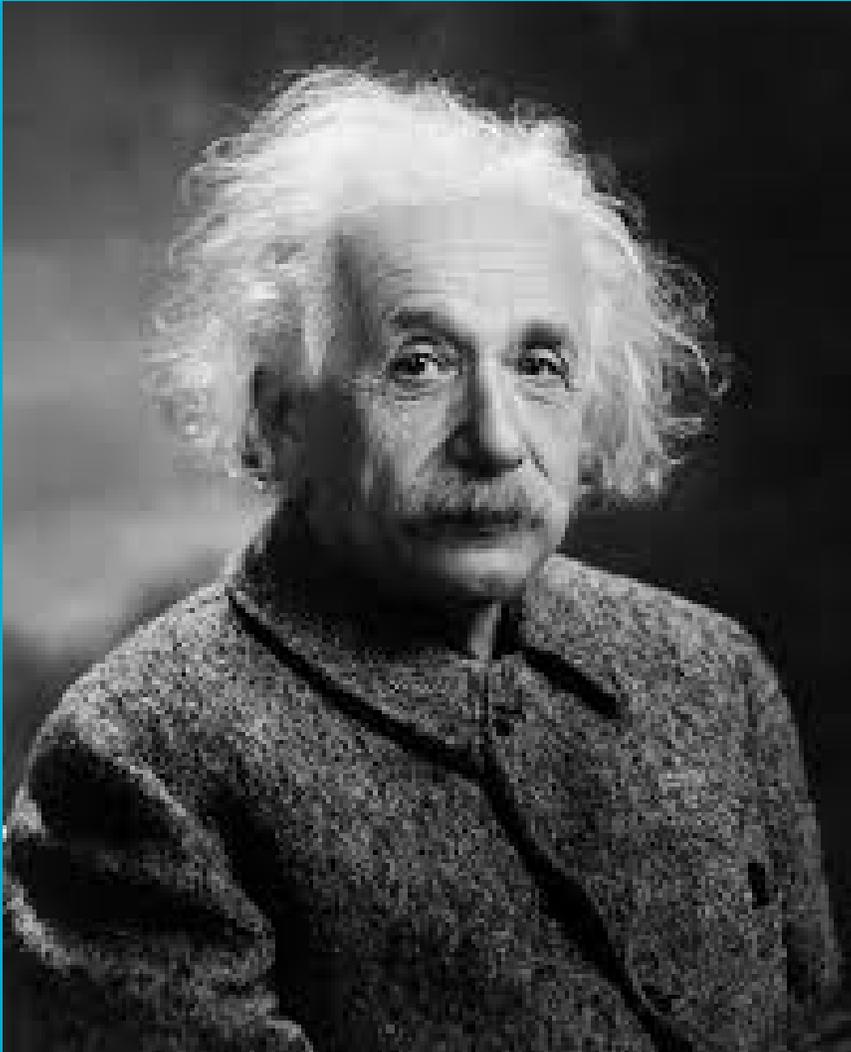
"If I had one hour to save the world, I would spend fifty-five minutes defining the problem and only five minutes finding the solution."

Albert Einstein

RFPs must define the "problem" (scope) and set guidelines for solutions

Clearly define **"what."** Be open to new approaches for **"how."**

- Future vision for business process
- IT standards and compatibility requirements
- Scope expectations
    - Data conversion
    - Integrations
    - Reports
    - Training
    - Support
- Schedule for project
- Price format
- Evaluation process
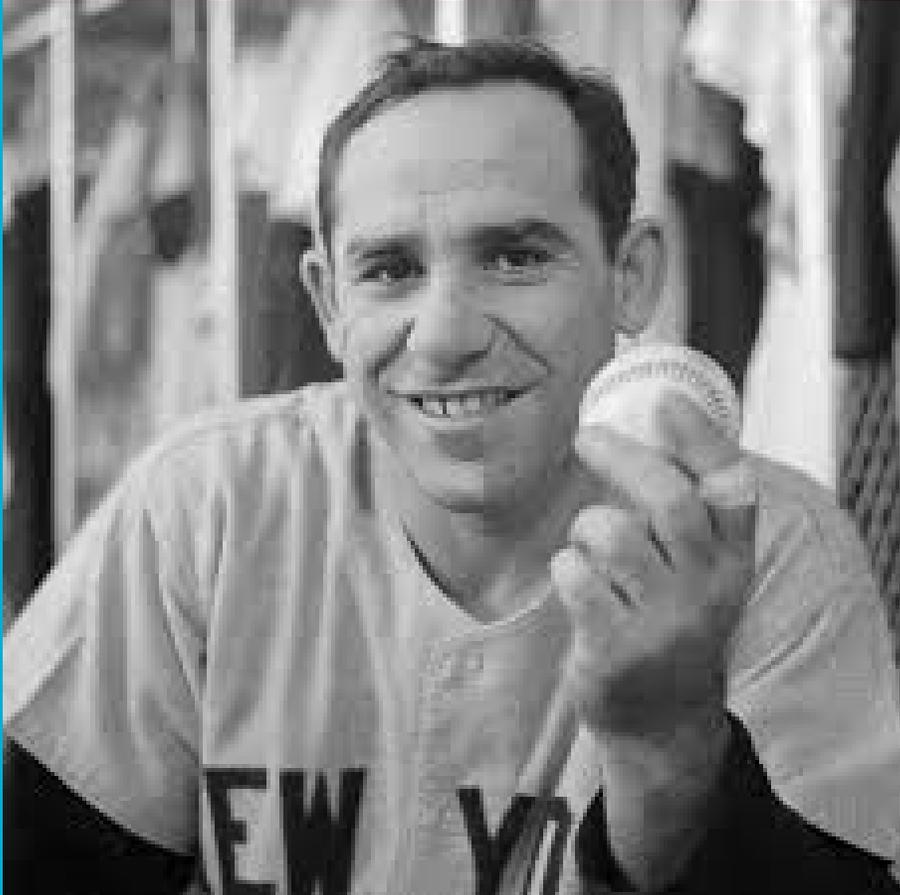
"If you don't know where you are going, you'll end up someplace else."

Yogi Berra

How do we define project success?

- Organizational scope *(Who does this apply to?)*

- Major goals *(Why are we doing this?)*

- Business process expectations (*(What outcomes do we need?)*

- Requirements *(What does the software need to do?)*
  - What you need the system to do
  - Acceptance checklist

- Implementation expectations *(When will it be complete?)*

The Evaluation Process

Exercise: Defining Evaluation Criteria

- What is most important to evaluate?

- Are all criteria equal?

- Can criteria be clearly defined?

- How do we define best?

- What about other factors?

Evaluation Considerations

- No software will work out of the box *(implementation matters)*

- ERP is not the answer for everything *(policies and processes are critical)*

- Faster is not always better *(transformative change can take time)*

- Not everyone learns at the same pace *(don't forget about training)*

- You get what you pay for *(don't pay more than is fair….. But…)*
  - Lowest price is not always cheaper *(Doing it correctly the first time is always cheaper than failing and starting over)*
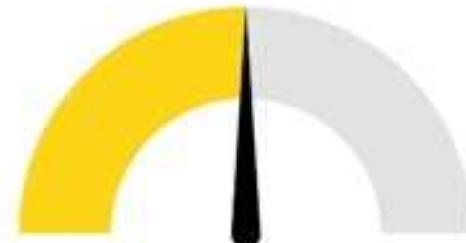
Evaluating Actual Risks

Software Fit
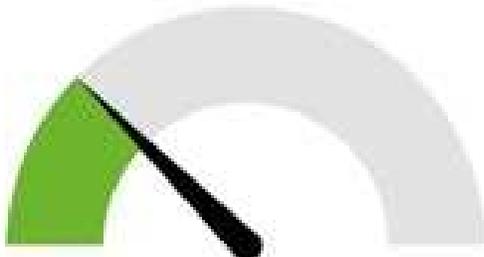
Vendor Risk

Price

Goals Achieved

Standard GFOA Evaluation Process

Anonymous Proposal Review

Initial Interview

Full Proposal Review

Typically, 8-15 vendor teams
All vendors go through same process
Software vendors and implementation teams

3-4 vendor teams
Scripted demos (3-4 days each)
Interviews with implementation teams
All vendors go through the same process

Demos and Interviews

1-2 vendor teams
Provide written questions
Focus on SOW
1-2 days per vendor (plus written response)

Discovery / RFC

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"Decision making is easy when your values are clear."

Roy Disney

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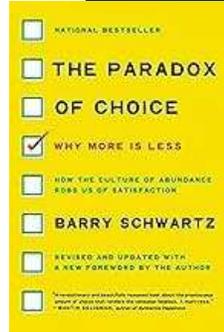2025

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Paradox of Choice

Learning to choose is hard.

Learning to choose well is harder.

And learning to choose well in a world of unlimited possibilities is harder still, perhaps too hard.
 - Barry Schwartz

Procurement's Role as Decision Architect

- It's not possible for the procurement professional to "opt out" of decision architecture

- Number of choices

- Order of choices

- Hierarchies, labeling and scale
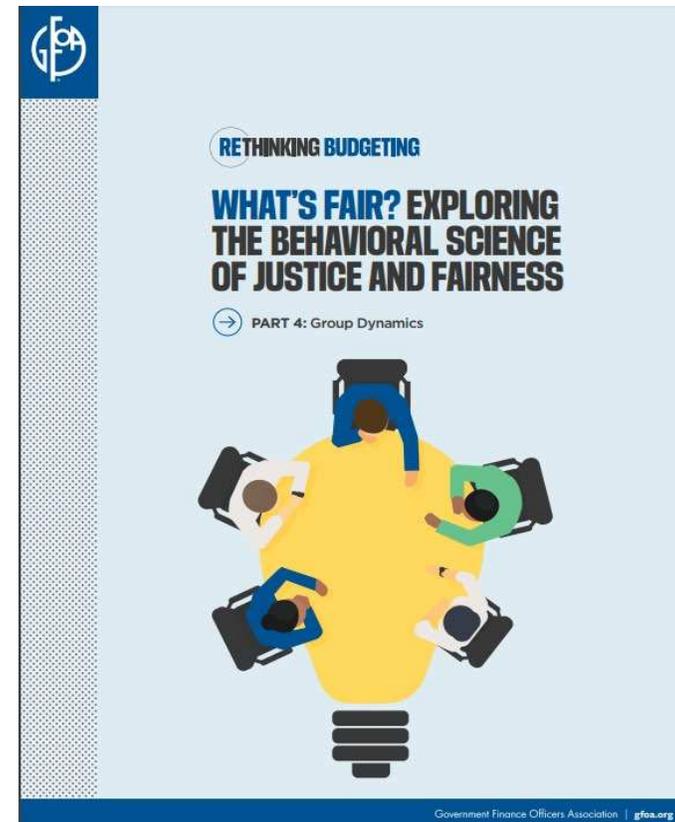
- Grouping

- Externalities

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Evaluation Focus

Round	Evaluation Focus	Purpose
1 - Anonymous	• Scope of solution • Implementation approach • Accountability	Determine vendors to evaluate with in-depth demos and interviews
1 – Presentation	• Understanding of big issues • Ability to communicate	
1 – Proposal Review	• Software Features • Experience / Future Direction	
2 – Demos / Interviews	• Software functionality • Implementation approach (detail)	Determine software and implementation fit

3 - RFC / Discovery	• Summary of round 1 and 2
	• Project team
	• Project compatibility
	    • Scope / Definition of success
	    • Contract alignment
	    • Risks / Issues
		Define best value and identify most likely to achieve project success

Avoiding Evaluation Process Decision Traps

- Halo Effect
  - Strong personalities can have undue influence
- Silence
  - Some are quiet in meetings
- Social Loafing
  - "the others in the group will put in the work"
- Anchoring
  - First ideas set an anchor and dominate
- Polarization
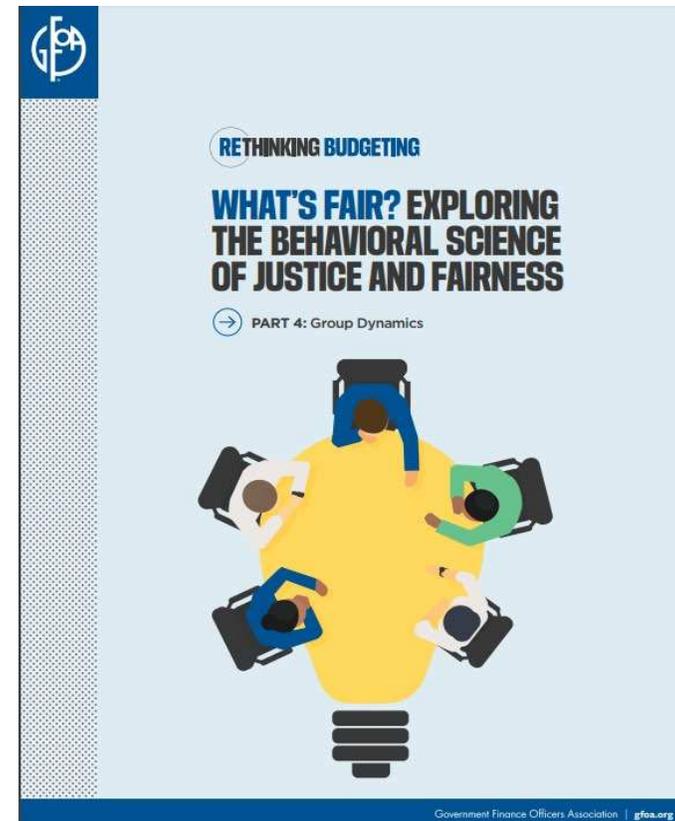 - Final decisions tend to be more extreme

RETHINKING BUDGETING

WHAT'S FAIR? EXPLORING THE BEHAVIORAL SCIENCE OF JUSTICE AND FAIRNESS

PART 4: Group Dynamics

Government Finance Officers Association | gfoa.org

https://www.gfoa.org/fairness

If it's too good to be true, it probably is

- No software will work out of the box *(implementation matters)*

- ERP is not the answer for everything *(policies and processes are critical)*

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What would you do?

The evaluation team has finished their scoring based on the evaluation criteria

- Vendor A = 95
- Vendor B = 85
- Vendor C = 70

The evaluators had different opinions on which vendor was best, and a majority now want to award the contract to Vendor B because it had stronger references.

Summary

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Additional Resources

www.gfoa.org/NIGP2025

Procurement has opportunity to use decision architecture to add value and get a seat at the table

ERP Projects need to focus on actual risks

Readiness is critical. Start early. Involve wide set of stakeholders. Align expectations and vision.