



A thorough ERP pre-phase creates the foundation for successful ERP implementation

The pre-study phase is where you build a solid foundation for your ERP transformation. It's where we clarify what the business truly needs and map out how the new system will support that. By taking the time to get this right, we avoid costly mistakes, set clear priorities, and ensure the system will work for you — not the other way around. A focused pre-study phase helps us understand the daily operations in relevant depth and identify pain points and improvement potential so that the chosen ERP technology fits smoothly into your workflows, making your work easier, not harder. Think of the pre-study phase as planning the route before a big journey — when we know where we're going and how to get there, the trip is much smoother and more successful.

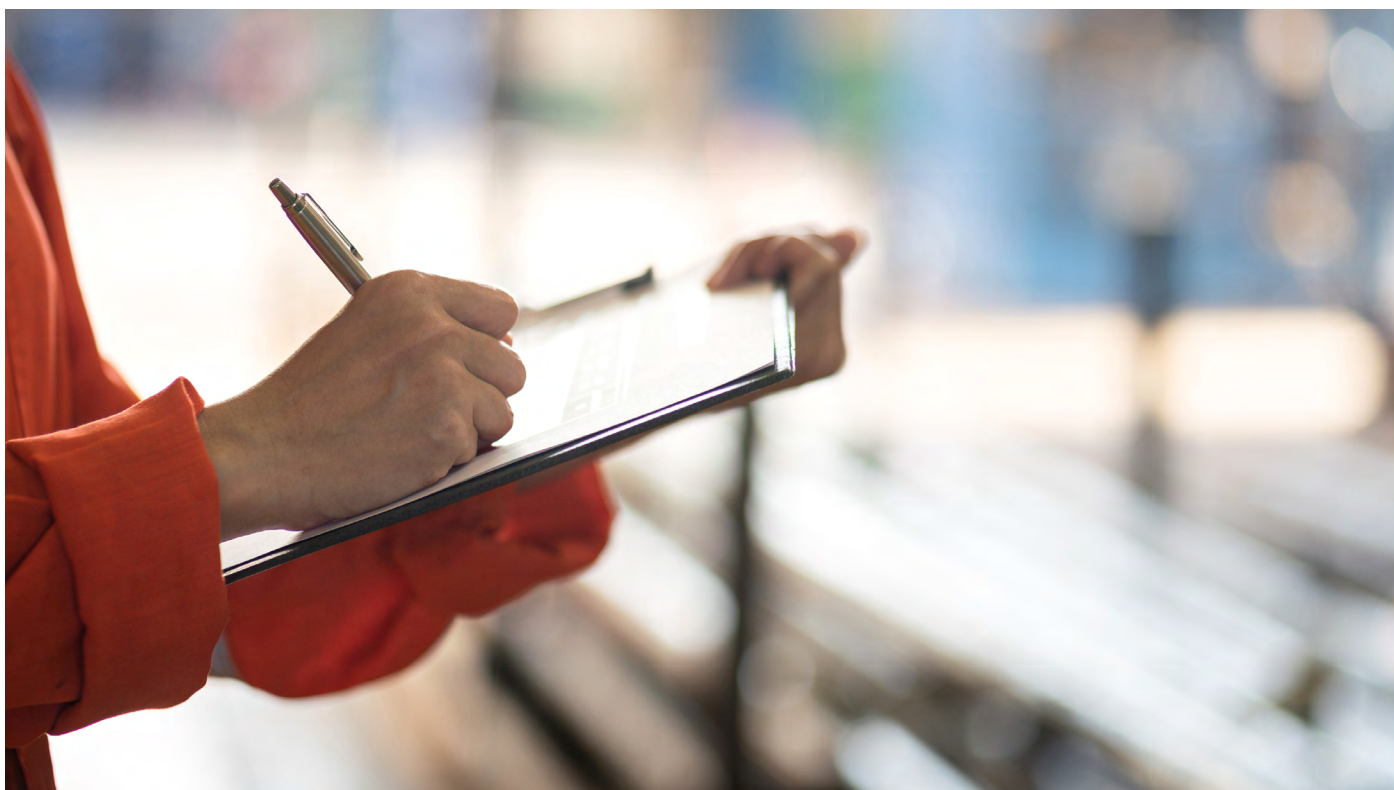
In this Point of View, we focus on common pitfalls related to ERP pre-phase activities and how to avoid them to ensure sufficient project readiness when it's time to move from pre-phase to execution.

Beware of the common pitfalls that can jeopardise your ERP journey

For a project to succeed, all critical factors must be in sufficiently good shape. Also, failure in a project does not hinge on a single factor but typically results from multiple contributing elements. Neglect in the planning phase of the project leads to chronic issues that persist throughout its duration. If critical factors in the implementation phase also turn negative, the combination can, at worst, paralyse the entire project.

The more you fall into the following twelve pitfalls during the ERP pre-phase, the less likely you will succeed in the ERP implementation.

- Inadequate stakeholder engagement
- Incomplete or vague requirements gathering
- Misaligned stakeholder priorities
- Unclear objectives and goals
- Insufficient analysis of the current state
- Underestimated complexity
- Unrealistic budget and timeline expectations
- Vendor influence and bias
- Inadequate risk assessment
- Lack of expertise and guidance
- Neglecting data considerations
- Resistance to change



1. Inadequate stakeholder engagement

- Failing to involve the right stakeholders leads to incomplete understanding and misaligned priorities. Consequently, business needs are misunderstood or overlooked. Decisions are made in silos, leading to resistance or lack of buy-in later. Critical end-user requirements are ignored.
- **How to avoid it?** Engage representatives from all relevant business areas and departments, business and IT, to ensure diverse perspectives and needs are addressed.

2. Incomplete or vague requirements gathering

- Failing to identify and document all business needs accurately is a common issue. Lack of involvement from key stakeholders, input from end-users who work with the systems daily, and reliance on outdated process documentation or assumptions all lead to selecting and implementing an ERP solution that doesn't fully meet your organisation's needs. This also leads you to miss opportunities for process improvements.
- Failure to prioritise requirements when trying to address all organisational needs at once can dilute your focus and overwhelm the project team. As a result, the new ERP system may become overly complex or misaligned with critical priorities. Unnecessary features or customisations will increase the cost of your project.
- **How to avoid it?** Use a structured approach to requirements gathering, clearly remember the difference between strategic requirements and detailed function

and non-functional requirements and use prioritisation to distinguish "must-haves" from "nice-to-haves."

3. Misaligned stakeholder priorities

- When business leaders and IT teams fail to align on goals, it creates a gap between strategic objectives and technical capabilities. Consequently being that ERP functionality is not in line with business requirements when technical challenges overshadow business priorities. On the business side, stakeholders' divergent priorities and opinions can cause friction during the pre-study phase, e.g. conflicting goals between departments, like finance prioritising cost control, while operations focus on automation. Lacking or ineffective prioritisation of requirements eventually leads to scope creep, budget overrun and delays in the planned schedule.
- **How to avoid it?** Foster collaboration between business functions and IT from the very start to ensure shared understanding and goals. Establish a structured and clear governance model for decision-making and dispute resolution.

4. Unclear objectives and goals

- Unclear project goals make it difficult to focus efforts and align decisions. The absence of a strategic vision for how ERP will support business goals and clearly defined key performance indicators (KPIs) for success may lead to selecting an ERP system that won't deliver the expected value. Unaligned expectations will lead to disappointments across the organisation, increasing the risk of scope creep.

- **How to avoid it?** Take the necessary time to define and clearly communicate goals, priorities, and the specific problems the ERP system should address – and also what it will not address.

5. Insufficient analysis of the current state

- Overlooking the nuances of existing workflows can lead to gaps in ERP functionality and misaligned priorities. Current inefficient processes may end up replicated in the new system as overcomplicated customisations during the implementation project.
- **How to avoid it?** Conduct a thorough analysis of current workflows, pain points, and improvement opportunities. Reflect these properly against the business strategy and future plans.

6. Underestimated complexity

- Organisations often fail to grasp the scope and complexity of ERP projects during the pre-study phase, overlooking the need for change management and process reengineering, and assuming that ERP systems are plug-and-play solutions. In the worst case, wishful thinking leads to unrealistic timelines, budgets, and poorly planned implementations that struggle to meet organisational and business needs.
- **How to avoid it?** Invest enough time and effort in the current state analysis; it will pay off later. Even though it feels more appealing to focus immediately on the target state, keep in mind that ERP transformation is a journey. And if you don't know where your departure point is, you decide your travel time, budget, method, and vehicle based on feelings and assumptions, not facts and reality.

7. Unrealistic budget and timeline expectations

- Setting overly optimistic timelines or budgets without understanding the project's complexity is a common pitfall. Focusing excessively on cost savings during the pre-study phase can limit options and lead to poor decisions. The project will later run into increased expenses due to unplanned add-ons or upgrades.
- **How to avoid it?** Invest enough time and competence in project investment preparation. Base budgets and timelines on comprehensive research, vendor input, and similar past projects. Trust the professionals estimating the costs, it will pay off later and save from disappointments. Failed ERP projects have already failed in planning and preparation.

8. Vendor influence and bias

- Allowing vendors to drive the pre-study discussions and relying heavily on vendor recommendations without independent validation can skew the decision-making process. The risk of choosing a solution based on marketing hype rather than fit and adopting an ERP system that doesn't align with actual business needs grows. And so does the risk of vendor lock-in with limited flexibility.
- **How to avoid it?** Conduct an independent evaluation of vendor proposals and validate claims through references or demonstrations.

9. Inadequate risk assessment

- Overlooking potential risks and mitigation strategies during the pre-study leads to unexpected challenges during implementation. Too often, the technical and operational challenges of integration are underestimated, and potential resistance from employees is not addressed. This can lead to unexpected setbacks during implementation, delays, cost overruns, and project derailment –eventually to a broader crisis and loss of stakeholder confidence.
- **How to avoid it?** Proactively identify risks, assess their impact, and develop contingency plans.

10. Lack of expertise and guidance

- Insufficient knowledge about ERP systems and implementation best practices can lead to poor decisions. Internal teams lacking experience in ERP selection and implementation planning may overlook the importance of engaging external consultants or industry experts. Poorly informed decisions that fail to account for industry trends or organisational needs. Difficulty in evaluating vendor solutions effectively.
- **How to avoid it?** Put effort into finding the needed competencies and experience for the implementation team. Everyone doesn't need to be an ERP professional, but in critical key roles, you'd rather have experience than first-timers.

11. Neglecting data considerations

- Ignoring the importance of data structure and quality, the need for data cleansing and standardisation, and underestimating the complexity of data migration are typical pitfalls. Inaccurate or incomplete data migration leads to poor system usability and performance.
- **How to avoid it?** Audit the data quality early and identify what needs cleaning. Activate the data work already in the pre-phase, if needed, as a pre-requisite project before kicking off the implementation project.

12. Resistance to change

- Cultural resistance and a lack of enthusiasm for the ERP project can stall progress during the pre-study phase. Employees see the project as unnecessary or disruptive, and leadership fails to communicate the reasoning and value to the organisation. Focusing only on technical aspects without preparing for the human side of change is a critical oversight resulting in resistance to adoption among employees.

- **How to avoid it?** Create a robust change management plan with clear communication and training strategies already in the early phase of the implementation.

Good news! We can avoid the pitfalls and achieve project readiness on time.



The pre-study phase is fraught with potential pitfalls, but recognising and addressing these challenges early can pave the way for a smoother ERP project. Success is based on thorough requirements gathering, strong stakeholder alignment, realistic planning, and avoiding shortcuts that compromise the quality of decisions. With a coherent ERP pre-phase approach, you can achieve project readiness in all five aspects:

- **Technical readiness.** Decisions on technology and vendors are made. The IT environment and services are in shape to build and eventually take the new ERP as a new part of the IT puzzle.
- **Resource readiness.** The project team is optimal in the given circumstances. The team members are onboarded into their project roles and teams.
- **Business readiness.** The project expectations are realistic and clear, not contradicting the different parts of the organisation.
- **Change readiness.** Efficient governance, cooperation and communication between the project and the line

organisation are established. Organisational competence and culture support the capability to change.

- **Practical readiness.** Project plans and schedules are created; project principles, governance and tools for project management are in place.

At Midagon, we have helped many companies and organisations in their ERP pre-phase activities. Always with dedication, quality and results.

Our ERP Pre-phase methodology is proven and based on several years of professional experience. A proven methodology with a comprehensive toolbox for all ERP pre-phase from current state analysis to the business case, from investment proposal to project planning and mobilisation.

ERP projects vary significantly in scope, complexity, and scale. We define the scope and depth of each pre-phase activity to fit our customer's situation and needs. We help our customers develop a comprehensive business case for their ERP transformation and prepare the organisation for the coming ERP journey.

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