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## The ERP Project “Emotional Curve”

*Manage the Project Tasks and Deliverables  
But Pay Attention to the Intangibles, too!*

By Peter Gross

The major Enterprise Resource Planning (ERP) software vendors have reacted to the diminishing numbers of Fortune 1000 companies buying new licenses by down-scaling and pricing their products to reach small- and medium-size corporations.

And, as we’re all well aware, big business’s track record with ERP implementation is discouraging. Companies like Hershey Foods, Whirlpool, Allied Waste Industries, W.L. Gore & Associates and W.L. Grainger have reported serious difficulties with their ERP implementations. A handful of companies have even blamed ERP, at least in part, for their failure.

In fact, according to a 2000 study conducted by PA Consulting Group, *a full 92% of ERP implementations fail*. Make no mistake – smaller organizations who buy scaled-down versions of the software are facing the same implementation challenges – integrating complex software into their operations in a timely fashion without unduly impacting existing operations or “breaking the bank”.

These smaller projects still require a solid ERP implementation methodology. A great many methodologies abound, but few recognize the project team’s emotional and psychological dynamics. And fewer still focus on managing these reactions – softening the initial resistance, controlling the misleading sense of euphoria, and minimizing the feelings of fear and desperation – all normal reactions to the daunting, complex task of business system and process reorganization.

### 1.1. A Project’s Emotional Curve

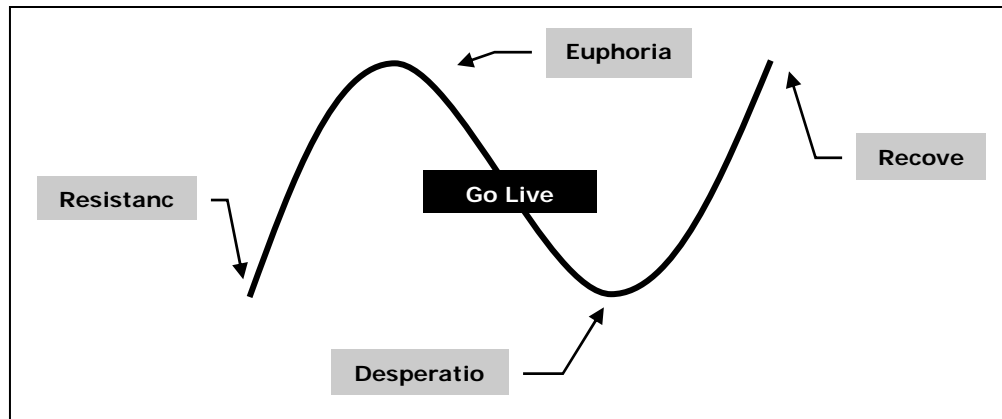
People dynamics, important technical challenges, and the changing business climate are just a few of the variables that render each ERP project a unique undertaking.

However, experience shows there is an underlying commonality to these endeavors that we call the project’s “Emotional Curve”. The project’s managers and users must be made aware of this phenomenon early on, and often, as it affects the group’s outlook and attitude during the entire project life-cycle.

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It's human nature to resist change and, combined with the emotional highs and lows experienced during the project's phases, this roller-coaster of emotions can't be avoided. Fortunately, it can be anticipated, and this knowledge must be used to sensitize the entire organization at the outset. During the peaks and valleys, these feelings must be leveled out onto an even emotional keel to keep the team focused and productive.

At every opportunity, the team must be made aware of their current psychological state, as well as the upcoming ones. As an example, remind the team, "Things are working pretty well and we're all very excited now, but in a few weeks, we'll be sliding down a slippery slope. And we'll wonder why we ever left the security of our legacy systems."



### The "Emotional Curve"

As portrayed in the diagram above, four components spread over time comprise the team's emotional dynamics:

1. *Resistance*

People's fear of technology and resistance to change are normal psychological reactions in projects of any kind. ERP implementations touch every nook and cranny of a business, so it's natural to be afraid of the consequences.

During an ERP project's Kick-off Presentation, it's one of the project manager's primary jobs to underscore and empathize with this fear, to reassure the team that this is only natural, that every team reacts this way, and that experience shows that only time will tell how successful the entire effort will be.



## 2. *Euphoria*

If the team has done its job well, euphoria sets in once the new business processes are presented during the project “Show and Tell” phase. A marvelous epiphany occurs as the team comprehends clearly the benefits of the new system, the streamlined processes, and the improved reporting. They’re now anxious to move quickly and thrilled at the prospect of using their new set of tools.

*Again, remind them they are on the cusp of a frightening descent “into a dark place”* as the team identifies the multitude of problems and issues that will force them to adapt their theories to conform to the harsher reality. Each of them will have to increase an already burdensome work-load as they test their theories through the piloting, and commit enormous chunks of their time to the intense efforts of data migration and cutover.

## 3. *Desperation*

When the new software is activated, the team collectively spirals downward into the depths – they’ve worked-around all sorts of tribulations to “shoe-horn” the new system into the business and vice-versa. Add to this, the knowledge that they’ve pulled the plug on their trusted legacy systems! As they struggle to commit to memory how to use the new sessions in their day-to-day jobs, they wonder aloud, “Why’d we ever leave the security blanket of the past?”

This desperation and the understandable desire to return to a safe haven will last several months until the users become more at ease with the new ways of doing their jobs. Again, the team must be reminded early on, *and over and over again*, that this feeling of desperation is also temporary. As the project “optimization period” proceeds after cutting over to the new system, things *will* improve, albeit slowly, as they work their way up the curve towards “recovery”.

## 4. *Recovery*

It was a supremely tough grind and, months after turning on the new system, the new business processes become routine. Senior management adapts to the improved tools to run the business, and the nagging, lower-priority issues left to be resolved after cut over are slowly, but surely, being addressed.

ERP implementations are complex, regardless of company size. To ensure your project is a success from the get-go, it makes sense to find and religiously follow a methodology that has been proven to work consistently with a variety of ERP products.



For the past 25 years, Pemeco has been refining a proprietary implementation methodology – called “Milestone Deliverables” – that virtually guarantees the success of any ERP project. We make this claim based on our results:

47 ERP Implementations ... in 26 years ... and ZERO failures.

The Milestone Deliverables process succeeds where other methodologies fail because it is a common-sense, cut-to-the-chase approach to implementation. It slices through the touchy-feely “paralysis by analysis” and endless dialogue of “consultant speak”, instead concentrating on a clearly defined process and tangible results.

It has evolved continuously over 25 years and simply assumes that people are more effective, and better motivated when working towards smaller, finite goals.

During Pemeco’s two-day seminar ***Managing a Successful ERP Implementation***, participants can learn the complete Milestone Deliverables process – and how to customize it to any organization’s needs. Full details about this event can be found at [www.pemeco.com/seminar](http://www.pemeco.com/seminar) or by calling Pemeco at +1 (541) 910-5079.

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