

CIO's Checklist for Selecting a New ERP Solution that Delivers ROI



How are C-level executives and business leaders in the Construction and Engineering sector overcoming long-standing industry challenges and embracing new business opportunities?

IFS' recent global research study of 825 construction and engineering leaders found that over half of companies are seeking a new Enterprise Resource Planning solution, with the majority (63%) expected to select a new ERP within the next 1-2 years.

Construction and engineering firms face layers of complexity that vary from project to project, but in today's fast-paced global economy one thing is constant: **change**. This is driving the need for organizations to improve business agility at scale, ride the waves of market disruptions, increase financial viability, and improve digital maturity in order to compete more effectively.

While the construction industry has historically been behind the curve in modern technology adoption, the appetite for digital transformation has increased. And with this pressing need to embrace new technologies, new generations of workers, and new mindsets around organizational change, the role of Chief Information Officer as a critical leader, visionary, and guide has emerged.

CIO's and Digital Transformation Managers may hesitate to upgrade legacy systems because previous technology implementations have failed to produce ROI. This checklist provides a helpful map for navigating a digital transformation journey and a 'blueprint for success' for ensuring that the new ERP solution your business implements achieves a healthy Return-on-Investment in a timely manner.

Define Business Objectives and Long-term Vision

Clarify your organization's long-term aims and goals, whether that means expansion into new business models and revenue streams—such as recurring revenue from service, asset, and property maintenance or facilities management—or expansion into new regions and territories, or new partnerships and joint ventures that enable you to grow your business and take on larger, more profitable projects.

- Often, the five or ten-year vision for the company's future will determine basic software requirements such as: multi-language, multi-currency capabilities as well as modular components and open API's that make it easy to add and remove capabilities as needed and integrate new software systems and applications, especially helpful for subcontractors or partners.

Identify the Desired Future Functional State

Establish how the new software will work for and with your business. This seems simple from the outset but requires a **visionary business leader who collaborates with other company and department stakeholders** in the executive team responsible for: Finance, Operations, Sales, Customer Service, Risk Management and Compliance, Human Resources, and Mergers/Acquisitions/Partnerships.

Develop a Compelling Financial Business Case

Adopting new technology for technology's sake is a common pitfall....and so is a failure to build the right operating environment and a data-centric culture. Another foundational step is fixing any inability to centralize data for effective decision-making. Lastly, a big roadblock to new software ROI is keeping a complex business system landscape comprised of multiple best-of-breed solutions that require manual integrations. All of these factors cause digital transformation projects to fall short of desired Key Performance Indicators (KPIs) and expected financial improvements as a result of the new software investment.

Be the Change Management Champion

As a CIO or other business leader, it's your responsibility to ensure that the entire organization is bought into change. Team members at every level and in every department must understand why the new ERP software is valuable, helpful and necessary in order to transform and grow a successful, profitable business. As part of this leadership role, you must identify the Enablers who will help you facilitate transformation and disseminate the positive message. You must also identify the obstacles, roadblocks and challengers, including employees, who may negatively impact the desired outcomes.

Analyze Current Landscape and Evaluate Potential Vendors

Evaluate existing systems, platforms, and processes available in the market today. Assess the potential ERP vendors based on your predefined criteria. Several considerations to keep in mind are:

- **Analyst and Software Expert Recommendations**
 - Consult analyst firms such as IDC Research, Gartner, Software Advice, Constellation, Forrester, ERP Today, and more.
- **Vendors' Market Share, Financial Viability, and Executive Leadership**
 - Does the vendor lead the market in terms of revenue growth and customer retention? Do executive leaders help fuel the next phase of global growth or pioneer innovation?
- **Customer Reviews, Success Stories and Industry Accolades**
 - How are software vendors rated by customers? Do they deliver tangible value?
- **Software Product Roadmap and Research & Development**
 - Does a vendor invest in technology innovation and product R&D? Do customers have a seat at the table with leaders? Does a software platform support both cloud / SaaS and on-premises choice of deployment model? Is there a clearly defined roadmap, product strategy and strategic vision?

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Consider Integration Requirements and ERP Platform Flexibility

Modernizing for tomorrow demands a flexible digital backbone. Traditional ways of working, and a spreadsheet and static document-driven culture, are simply no longer fit for purpose. Ensure the new software integrates seamlessly with existing systems. Transformative digital technologies such as building information modeling (BIM), robotics, drones, laser scanning, artificial intelligence (AI), modular construction and 3D printing are reshaping the industry. **But will your ERP software solution be ready to embrace these new technologies and applications?** If it is built on a composable enterprise architecture, it will.

- Here is how it works within IFS Cloud ERP. The IFS architecture is open, composable, and readily integrates with any pre-existing software solution or application. Your business can implement as much, or as little, IFS functionality as you need at any one time using open APIs and helpful middleware platforms in order to rapidly achieve Common Operational Solutions for one or more construction trading entities.
- Joint Venture contracts, or work opportunities with new clients, call for several different entities using different ERP backbones and processes to be able to quickly collaborate. By spinning up a virtualized instance, IFS Cloud rapidly presents a best-practice, highly cost-effective solution, fully configurable for the duration of the project, and readily able to integrate to third-party partner systems where needed.

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Determine the Most Important ERP Software Capabilities

Which capabilities will support mission-critical processes, unify operations, and standardize workflows to ensure best practice? Most Enterprise Resource Planning software offers a way to unite management, finance and human resources in one system. ERP is meant to support the whole enterprise, not just Finance and Human Resources. Look for ERP solutions that are specifically designed to integrate tight control and governance of complex construction projects, ensuring best practice for all business processes, management and reporting. Make sure the capabilities your business needs now and next include:

- **Integrated Project Financial Control:** Prioritize effective project financial control over mere accounting functionalities.
- **Standardization:** Adopt standardized, best practice repeatable processes and workflows.
- **Sustainability:** Embed sustainability into your digital transformation strategies.
- **Industrial AI and Automation:** Leverage AI and automation to improve efficiency and business value.
- **Configurable Industry Use Cases** that are ready to deploy out-of-the-box yet are also easily configurable to suit your ongoing needs.

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Ensure User Adoption by Improving the UX/UI of Technology, and Training Employees

The familiar saying, ‘If you build it, they will come’ is not always true when it comes to the rollout of new software across your company. Just because at the executive level you decide to purchase a new ERP solution, it does not automatically mean that your employees—your users—will embrace it, use it correctly and effectively, and thus, help ensure ROI of the project. Here are some helpful tips for successful people management:

- **Effective change management that focuses on phased software rollouts,** with smaller, selected User Acceptance Testing (UAT) groups, who test the software within each functional department or region, identify necessary modifications or customizations, and then improve the user experience for wider groups of employees, are critical to a successful implementation project.

• Plan for **comprehensive and ongoing staff training** to ensure successful adoption, not only with existing employees, but also with any new employees or subcontractors who will use the solution.

- Helpful features like **user-friendly mobile apps designed to function like consumer technology**, and offer built-in features like Lobbies that highlight just the areas of the software that each type of user needs to do his/her job daily, help ensure that employees are keen to adopt the software.

Monitor ROI and Ensure Tangible Business Value

In a recent IDC research study “[The Business Value of IFS Cloud](#)”, IDC analysts showcased how IFS Cloud drives innovation, operational efficiency, streamlined reporting processes, and enhanced business development, delivering substantial financial benefits and a strong return on investment. **Beneficial for construction and engineering firms are these value improvements:**

- **414%** three-year return on investment
- **11-month** payback on investment period
- **\$2.5M** average annual staff efficiency benefits
- **27%** less time spent per budgetary cycle
- **18%** reduction in the time required to close period-end accounting

Another way to measure ROI is by considering improvements to key functions, such as:

- Project Management and Collaboration
- Budget Management and Controlling Profit Margins
- Quality, Health and Safety
- Project Delays and Cost Overruns
- Supply Chain, Procurement, and Inventory Management
- Mitigating Risk and Automating Compliance
- Improving Resource Optimization across labor, materials, subcontractors, and tools and equipment

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Adapt, Innovate, Repeat: The Need for Continuous Improvement

The philosophy that all CIOs must embrace is the ongoing need to inspire innovation. Embedding this mindset as a cultural value and fundamental belief amongst all employees, partners, company owners, board members, and stakeholders is critical to ensuring that this path of transformation always leads to successful business growth. Whether that means **improving profitability, increasing efficiency, attracting and retaining new clients, inspiring and leading new employees, or embarking on new business ventures**, this behavior needs to be embedded in everything your organization does.

- It is imperative that the vendor you select become a strategic, long-term business partner who can help inspire and guide your company for years to come. This is also why it's important that their solution be continually developed to break new barriers in terms of technological innovation, ongoing adoption of technologies, and continuous process optimization.

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Ready to Start Your Journey? Consider IFS as Your ERP Solution Provider

Discover why IFS is the top choice for the world's leading Construction and Engineering companies.



Our Vision: lead through AI, purpose, impact, and inspired leadership

We want to create a class leading Industrial AI platform that empowers customers globally to dynamically manage their mission critical assets, workflows, people and service in a responsible way.



Our Value: IFS Cloud customers realize value at every step with IFS

Our success stories showcase the impact of our solutions, helping to build credibility, drive demand, and strengthen our brand.



Our People: We foster a culture of agility, collaboration, trust and grit

These values form the foundation of our inclusive environment, empowering our people to make meaningful contributions, work dynamically, and create moments that matter for our customers.



Our Proven Expertise: IFS is routinely recognized by industry experts

We are a leading provider of enterprise software designed and developed in collaboration with our customers.



Our Future: Driving excellence in our business, customer value, and society

The IFS strategy of excellence drives sustainable action across our business, our customers, and our broader impact on society. We focus on driving impressive growth, enhanced customer satisfaction, and fostering a culture of excellence.



Our innovation through Industrial AI: IFS.ai revolutionizes operations

With embedded Industrial AI, the IFS.ai framework within IFS Cloud ERP combines simulation, optimization, and anomaly detection to boost productivity, enhance decision-making, and drive organization-wide impact with unified data insights.

IFS develops and delivers cloud enterprise software for companies around the world who manufacture and distribute goods, build and maintain assets, and manage service-focused operations. The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector.

Learn more about how our enterprise software solutions can help your business today at [ifs.com](#).

