BEYOND THE TECH

Building an ERP Case That Actually Drives Business Value

Our first article "Strategic Foundations – the Critical Link for Successful ERP Transformations" explored why enterprise resource planning (ERP) success starts with business strategy rather than technology. This second installment dives into the next critical step: crafting a business case that aligns leadership, clarifies outcomes, and anchors transformation in measurable value.

WHAT SEPARATES THE 30% FROM THE REST

It's widely known that over 70% of ERP programs fall short of expectations. But fewer people realize that this is often because organizations treat the business case as a budgeting exercise, rather than a living tool for strategic alignment.

The real issue isn't cost; it's clarity about transformation potential. If you're only talking about cost and features, you are not ready for ERP. Most business cases defend technology choices rather than **demonstrating what the organization needs**.

Every worthwhile ERP business case does two things:

1. It links the program deliverables like improved business processes, system functionality enablement, data unification, and operating model improvement, with the desired outcomes, such as driving effectiveness, creating efficiency, or enabling fact-based decision-making.

2. It builds the organizational alignment needed to make it happen.

Instead of justifying expenses, successful business cases **create consensus around the capabilities the organization needs for its next phase of growth.**

Below, A&M Senior Director Jamie Bardin and Managing Directors Cindy Finkelman and Ian Smith highlight lessons from their experiences as executives, bringing to life the five key elements to building a business case. As your organization starts its ERP journey, this guidance will convert even the most skeptical executives into transformation champions.

INSIGHTS FROM THE COO CHAIR

Jamie Bardin, a Senior Director in A&M's Private Equity Performance Improvement group and former Chief Operating Officer (COO), emphasizes the importance of making the business case a lever to address skepticism and drive critical discussions early. He has witnessed the consequences when difficult conversations get postponed: "We've had clients engage us 30 days from go-live who still don't know how the system supports actual business operations."

The disconnect arises when gathering requirements becomes a race against time instead of a functional road-mapping process. And without early executive alignment, design workshops proceed without focus.

To avoid this disconnect, you'll need to start identifying opportunities early. The first step is to **show leadership what is actually possible.** Ask yourself and your colleagues: Have you embraced modern ERP and automation capabilities? Have you considered what's actually possible, beyond theoretical discussions?

Although alignment may build over time, many executives still lack direct exposure to what modern ERP can actually do, especially as platforms are developing new AI-enabled capabilities. One way to shorten the distance between skepticism and insight is by showing, not telling.

To educate leadership on what might be possible, facilitate open and honest conversations with the platform providers you are evaluating. You'll want to understand their roadmap, design decisions, and motivations, for example by asking: How are you embracing new technology?

Ask questions about not only the features their solution delivers, but their technology and data structures. This way, you can determine whether their approach aligns with the organization's current and future needs. Consider how well AI is incorporated into their product roadmap. Do the capabilities represent proven enablement or just vaporware?

You can also proactively seek out existing customers to hear about their experiences and lessons learned.

Useful questions might include: How are you using the platform? What savings have you achieved? What new capabilities have you delivered? Did you miss out on anything you were promised in the sales cycle? What values were you measuring, and did the system deliver them?

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Through these direct conversations, you'll become equipped to close the gap between strategy and execution. Jamie highlights that once the stakeholders understand what's possible, it's easy to define the ERP goals up front, in terms of both business outcomes and value drivers. **Once leaders understand the full scope of possibility, they can engage in business case discussions with clarity and purpose.** This mindset drives stakeholders to envision new opportunities, define objectives, and commit to outcomes, rather than focusing on minimizing disruption or cost concerns.

This is especially relevant in an ERP transformation, where value is driven by embracing the technology's capabilities to standardize and redesign your organization's processes. Technology can serve as that enabler, if you take the time with your stakeholders to **challenge assumptions**. You'll need to be willing to confront skepticism about what modern systems can accomplish.

Jamie remembers a case where these conversations were critical. "We had to shift how the business worked," he says. "Supply Chain needed standardized fulfillment rules to ship on time, cut inventory, and protect margin. Operations had to move beyond overall equipment effectiveness [OEE] and gain visibility into cash, inventory, and margin. Each business function was optimizing in their own silo, not because they wanted to, but because they didn't trust the data in the ERP."

First, teams must engage in the hard conversations to overcome resistance and build trust. Only then can they make changes that realize the full business value. "Once we built confidence in the system, the teams could finally make trade-offs that served the enterprise, not just their function."

INSIGHTS FROM THE CIO CHAIR

After nearly three decades as a Chief Information Officer (CIO), Cindy Finkelman now serves as a Managing Director in A&M's Digital & Technology Services practice. She helps clients reframe ERP as a strategic transformation, rather than a technology implementation.

During one such transformation as CIO, Cindy faced a skeptical executive team who saw ERP as a necessary evil. "I completely reframed how we talked about the project," she recalls. "Instead of asking, 'What's the cheapest way to replace our current system?', we started asking: 'What capabilities do we need to compete in the next five years?'"

That shift changed everything. **Instead of settling for the cheapest option, the stakeholders collaboratively explored how ERP could automate tasks, enable efficient strategic work, and facilitate fact-based decision-making through better data.** "Once we reframed the conversation around business outcomes, the business case wrote itself," Cindy explains.

To reframe, **start with your operating model and target structure.** The key question to answer is this: Does my business case show a clear vision for how work should flow and where technology adds the most value?

Before building financial projections, successful ERP business cases begin by designing the future state around those desired business outcomes. Instead of asking, "How do we make our current processes faster?", you can ask, "How should work actually flow in our target state?" This approach focuses on redesigning work processes rather than just automating the current flow. Look for opportunities to drive efficiency and effectiveness, using new AI-enabled ERP capabilities to support advanced analytics, personalize experiences, and create a smart supply chain.

For example, when an executive team implemented ERP for HR operations, automation freed up enough organizational capacity to fund HR business partners that did not exist before. The business case showed how the new capability could be funded through automation savings. Even more critically, after design, HR team members asked, "What strategic work can we focus on once the system handles our routine processes?"

In another example, a company automated supplier invoice processing with system-driven matching and approvals. This reduced cycle times by 70%, allowing procurement staff to focus on supplier strategy and risk management.

As you explore these possibilities, **use the business case to build alignment.** Ask yourself: Am I creating organizational commitment or just documenting requirements? Using an iterative approach to develop the business case allows it to serve as both a planning tool and a way to get others on board.

"Business cases are iterative," Cindy emphasizes. "You start at a high level, then after design, reconfirm that what you're building will enable that business case to come to life." At first, Cindy's high-level assumptions made the finance team uncomfortable, so she positioned them strategically: "I put placeholder estimates in there and told them we're going through design to confirm these assumptions."

As the design phase unfolded, the stakeholders began to see new possibilities. **The business case evolved from mere projections into a shared vision for the transformation; a north star for project discussions and a tool to rally support across the organization.**

Gaining organizational alignment requires "stacking hands": getting everyone committed to the same vision and establishing credibility and trust. Most organizations struggle with this intensive work, but it's essential for transformation success. The CIO, COO, Chief HR Officer (CHRO), Chief Financial Officer (CFO), and their peers must work collaboratively to understand cross-functional operations, key business processes, and existing inefficiencies.

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INSIGHTS FROM THE CFO CHAIR

Finance is often hindered by a lack of accurate and timely data for forward-looking business decisions, not because data is missing, but because the ERP system, management reporting, and decision requirements lack a unified design.

"When finance leaders start with a clear understanding of the dimensions (geography, product, etc.) they want to measure as well as the data definitions and measurements they want to enforce (the business logic for calculated data), ERP evolves from a transaction engine into a platform that enables improved decisions," says Ian Smith, Managing Director in A&M's CFO Services group. With a foundation based on a clear understanding of decision inputs, ERP can deliver the insights leaders need to act faster and with greater confidence.

Once you've built stakeholder confidence in the possibilities of the ERP platform and have started aligning on the design, it's critical to decide on the foundational requirements. The key? Ensure the requirements **link capabilities, operational improvements, and business value**. As you work collaboratively across functions to gather requirements, ask the question: What new capabilities and business outcomes will ERP enable?

Ian recommends facilitating thorough communication between project stakeholders on current and future business strategies and then collaboratively tracing those goals back to requirements: First, what are the necessary operational improvements to deliver that strategy? Next, what are the specific capabilities ERP must support to enable those improvements? This process ensures that the requirements are clarified early in the design, while also building a strong, tangible link between the ERP platform's capabilities and business outcomes.

The strongest business cases demonstrate the future value of the organization. In one example, an organization was taking five to six weeks to close its monthly books. The A&M team applied industry standard benchmarks to design the target operating model by defining what capabilities were needed and determining system requirements. Their analysis revealed exactly where ERP automation would handle routine work, allowing human expertise to focus on strategic activities.

As you evaluate the targeted outcomes, it's crucial to identify and communicate the business value that will be delivered. In another example, one consumer products company shaved five days off monthly close. This was initially seen as productivity gains, but leadership soon realized that cash for inventory purchases and sales opportunities could now be deployed nearly a week earlier, translating time savings into additional revenue worth millions.

Through this process, your business case will become a living document that reflects financial logic as well as cross-functional alignment on strategic objectives, with the option to update it as priorities shift and new capabilities emerge.

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WHAT FUTURE VALUE ACTUALLY LOOKS LIKE

ERP opens the door to new possibilities. When approached strategically, it becomes more than just a system. ERP becomes the foundation for how your business operates, grows, and adapts. And the business case is where you can start to form that vision, by aligning decision-makers, clarifying priorities, and defining what your organization is working toward.

Five critical activities can determine whether your ERP business case drives real value or just delivers a working system:

1. **Educate leadership on what's possible** so your business case reflects demonstrated capabilities, rather than current limitations.

2. If you're facing skepticism about what modern systems can accomplish, be willing to **challenge technology assumptions** and look for opportunities to have those hard conversations.

3. Build your business case around a **target operating model design** aligned with your strategic business goals, instead of current process assumptions.

4. Use your business case as an iteratively developed tool to **build alignment and create stakeholder commitment**, not simply as documentation.

5. **Link capabilities, operational improvements, and business value** by involving the people who understand how the work actually gets done and any operational complexities.

The companies that build a successful ERP case focus on future capabilities instead of current pain points. They involve the right voices early, link technology to outcomes, and use the business case, not just to secure funding, but to build commitment.

But the business case is only the beginning. Turning that vision into reality requires designing how the business will actually work. Our next article will explore how you can move from intention to implementation by defining the future operating model and aligning the structure, roles, and reporting relationships needed to support it.

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HOW A&M PARTNERS WITH LEADERS TO REALIZE ERP VALUE

As advisors, we focus on making sure your ERP program remains a business-led transformation, grounded in strategic clarity and operational alignment.

We focus on the foundational drivers of ERP success:

Strategic Alignment
We help clients answer the "why", define their ERP strategy, and build the business case for ERP by connecting technology needs directly to the business strategy and strategic imperatives.

Future Operating Model Design
We define and implement future-state processes, roles, governance, and performance management frameworks.

Organizational Alignment and Process Readiness
We assess and optimize organizational structures and functional processes to ensure they are forward-looking and ERP-ready.

Strategic Program Oversight
We advise and support clients with independent program leadership, risk identification, quality management (QMO), and performance tracking to keep ERP efforts on target and on value.

With deep operational experience and a history of guiding complex transformations, A&M helps position your ERP investment to accelerate business outcomes — whether they be growth, integration, efficiency, or scalability.

Let's talk about how to make your ERP more than a system change. Let's make it a competitive advantage.

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