

Why ERP Migrations Fail Before Implementation Begins

Introduction

Enterprise resource planning systems first promised to integrate core business functions in the 1990s. High-profile early migrations, such as the 1999 Hershey Foods rollout, collapsed under rushed scope decisions and inadequate preparation. These failures delivered immediate revenue shortfalls despite the technology being functional (Stone and Zhang, 2021). This was not an isolated incident; subsequent cases in the years that followed exposed the same pre-implementation weaknesses.

Sumner (2004) posited that the core tension in ERP projects sits between the standardised processes embedded in the software and an organisation's established ways of working. The biggest mistake many companies make, particularly in manufacturing environments, is attempting to redesign the new system to fit the old model. New wine. Old skins. Re-engineering business processes to align with the ERP package is the necessary alternative.

This early misalignment in the definition phase frequently resulted in excessive customisation, inflated costs, and failure to achieve the integrated enterprise-wide benefits originally promised. Academic literature across three decades shows that more than 70 per cent of ERP projects still fail to deliver expected benefits (Nisa et al., 2025). ERP migrations typically fail in definition, governance, ownership, and decision discipline long before go-live is in sight. Too often, organisations treat ERP migration as a technology project when in reality it is an enterprise operating model redesign programme.

Inadequate governance frameworks

A robust governance structure operates from the first workshop to prevent the accumulation of invisible debt. This debt represents the compounding cost of deferred decisions and untracked process deviations. A cross-functional steering committee, explicit decision rights, and escalation protocols provide the necessary structure. Absent these mechanisms, conflicting departmental priorities erode focus and accountability dissolves.

ERP MIGRATION: The Strategic Governance Roadmap



Effective ERP migration relies on a structured governance timeline that locks in accountability at every stage. This roadmap transitions from initial strategic planning to long-term executive oversight to ensure the project remains on schedule and within budget.

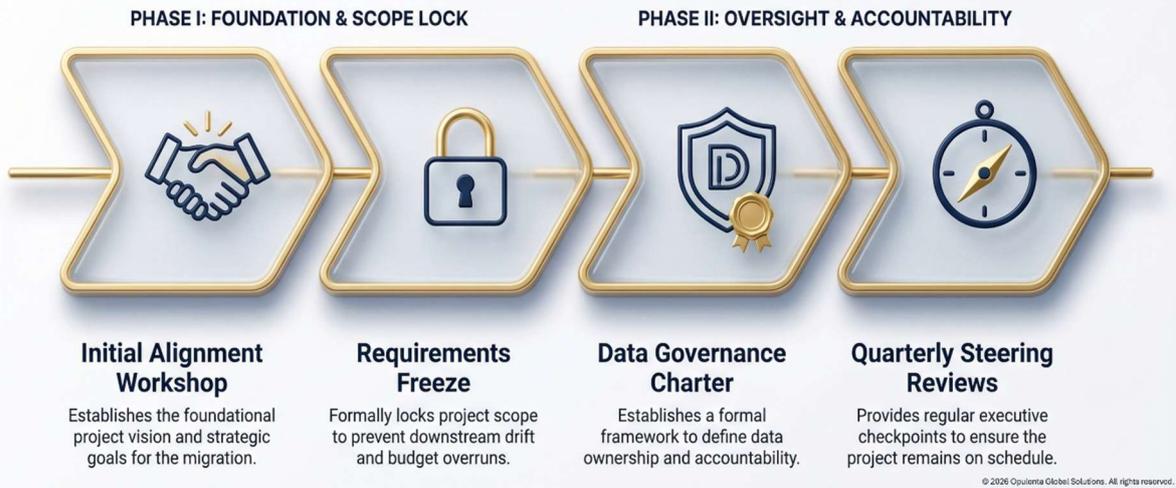


Fig. 1: Strategic Governance Roadmap – Establishing cross-functional oversight before any technical work begins

The roadmap illustrates the sequence from initial workshop through requirements freeze, data governance charter, and quarterly steering reviews. Each milestone locks accountability and prevents downstream drift.

In their 2021 study in Information, Svensson and Thoss identify weak governance as the primary catalyst for project ‘dark matter.’ They define dark matter as the set of risks that originate in the pre-implementation phase but remain invisible until technical configuration begins. Without clear policies for change requests and data standards, scope creep accumulates through a series of undocumented trade-offs. Their study concludes that governance gaps in manufacturing firms predict cost overruns more reliably than any execution issue encountered later in the project lifecycle.

At Opulenta Global Solutions, we manage this friction through a Sovereignty Framework that clarifies where legacy departmental habits collide with ERP logic. It ensures that any departure from the standard is a deliberate, executive-led decision rather than an inherited technical liability.

Undisciplined decision-making processes

Every migration requires hundreds of decisions on process redesign, data conversion, and reporting standards. These choices follow a disciplined cadence involving documented rationale, assigned owners, and regular traceability reviews. When decisions are deferred or reversed arbitrarily, hidden inconsistencies build.

Academic frameworks emphasise that poor decision discipline in the planning phase creates the greatest downstream risk (Nisa et al., 2025). Indiscipline manifests as excessive customisation debates and unclear business-process re-engineering priorities. Organisations that embed structured prioritisation and decision logs early achieve markedly higher alignment.



Fig 2: The Decision Discipline Loop – A perpetual cycle of documented choices and traceability

The loop shows four repeating steps: (1) Issue identification, (2) Options evaluation with business impact scoring, (3) Owner-signed decision record, and (4) post-decision review at the next governance gate. Closing the loop at every stage prevents the hidden debt that derails later stages.

Opulenta Global Solutions enforces a policy of Standardisation by Default. This methodology demands that every process deviation is justified by a quantifiable competitive advantage. All other functions are aligned with standard ERP logic to preserve implementation velocity and eliminate the customisation debt that inevitably leads to project stagnation.

To enforce this discipline in practice, leaders must quantify readiness before committing capital to technical configuration

The Strategic Readiness Benchmark

Prior to the commitment of capital to technical configuration, leaders must conduct a readiness audit to quantify the risk of invisible debt. This audit serves as a baseline for the Sovereignty Framework and identifies structural gaps in ownership that software cannot resolve.

A project is considered at risk if any of the following conditions exist during the definition phase:

1. **Decision Latency:** The average time to resolve a cross-functional process dispute exceeds five business days.
2. **Requirement Divergence:** More than 25 per cent of identified business needs require custom code rather than configuration of the standard ERP kernel.
3. **Ownership Fragmentation:** Business process owners have not been formally assigned accountability for data quality and migration accuracy.

Stone and Zhang (2021) observe that executive teams often overestimate their internal capacity to manage these frictions. By the time these gaps manifest as schedule delays, the cost of correction is typically ten times higher than the cost of upfront governance (Nisa et al., 2025).

Outcomes from the late 90's to present day

The pattern has remained consistent. Early cases such as Hershey illustrated how weak definition and governance produced immediate operational collapse. In 2025 analyses, the same pre-implementation weaknesses continue to drive budget overruns and missed timelines. Projects that address definition, governance, ownership, and decision discipline upfront deliver faster benefit realisation and sustainable adoption.

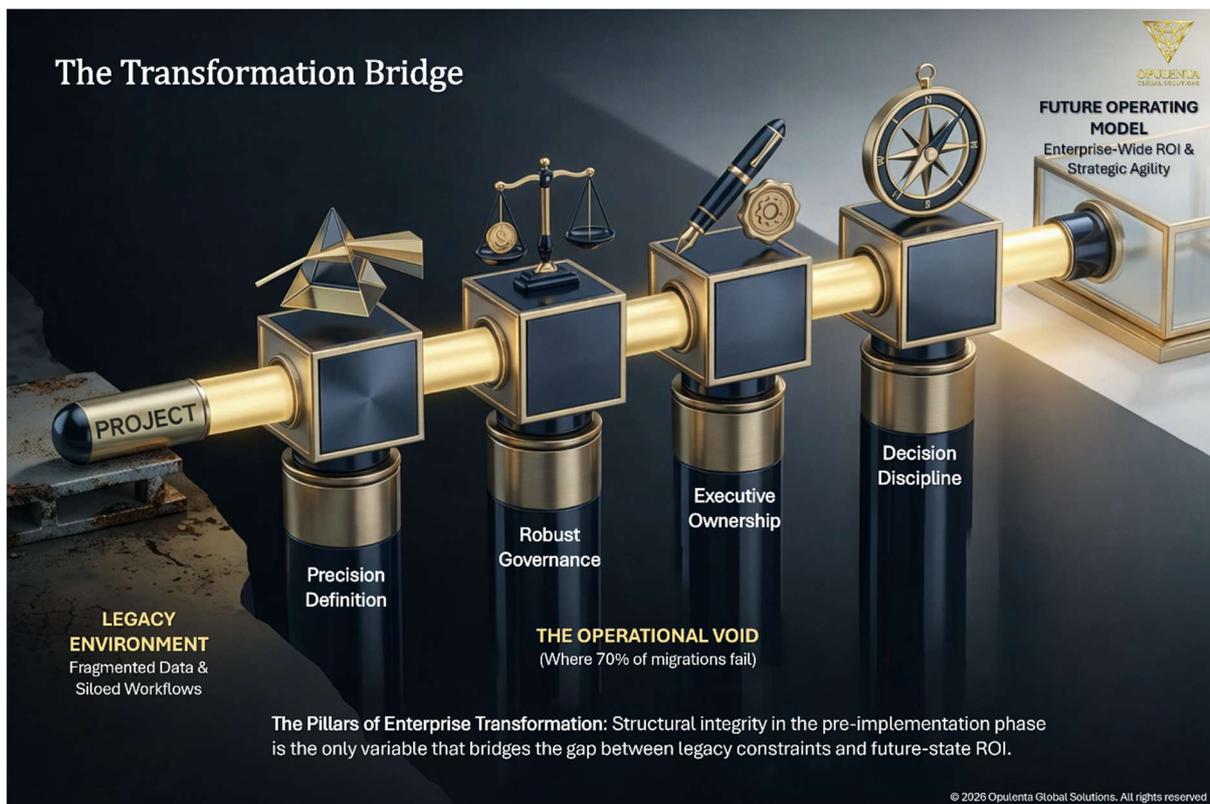


Fig. 3: The Transformation Bridge – Bridging the operational void through pre-implementation rigour

The bridge illustrates the transition from legacy constraints to a future operating model. Success is built on the structural integrity of the four pillars: definition, governance, ownership, and discipline. This foundation supports the project conduit and prevents the collapse into the operational void.

The 2026 Mandate

In the current landscape, the maturity of cloud-native ERP platforms has effectively removed technology failure as a valid excuse for project collapse. The 70 per cent failure rate observed in 2025 is not a reflection of software capability, but a systemic deficit in pre-implementation discipline (Nisa et al., 2025). The only remaining variable is leadership discipline, which requires a willingness to enforce definition, governance, ownership, and decision discipline prior to configuration.

As illustrated in the Transformation Bridge (Fig. 3), the path between legacy constraints and future-state ROI is built entirely on definition, governance, ownership, and decision discipline. These are not administrative tasks; they are the fundamental structural engineering of the modern enterprise.

Senior leaders who treat ERP migration as a routine IT upgrade will continue to see their strategic value consumed by the operational void. Those who invest in the disciplined friction of a rigorous definition phase position their organisations to capture the full financial and operational returns of the coming decade. The opportunity for transformation does not reside in the software itself, but in the rigour applied before the first module is ever configured.

References

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