RedCat Consulting Group

10 WARNING SIGNS YOUR ERP PROGRAM IS HEADING OFF TRACK

A Practical Guide for Executive Sponsors, Business Leaders, and Program Teams

ERP programs rarely fail because of a single catastrophic event. More often, they drift off course gradually as small issues accumulate and important decisions are delayed. By the time missed deadlines, budget overruns, and frustrating user feedback become visible, the underlying problems have usually been present for months.

The good news is that most troubled ERP programs show warning signs early. Recognizing these signs can help leadership teams take corrective action before risks become costly problems.

1. No Clear Business Process Ownership

One of the earliest warning signs is the absence of clearly defined business process owners.

When no one owns key processes such as Order-to-Cash, Procure-to-Pay, Record-to-Report, or Plan-to-Produce, decisions become difficult, accountability is unclear, and issues remain unresolved.

Ask yourself:

- Who owns each critical business process?
- Who has authority to make process decisions?
- Who is accountable after go-live?

If the answer is unclear, the program is already at risk.

2. The Project Is Being Treated as an IT Initiative

ERP transformation is a business initiative supported by technology - not a technology project supported by the business.

When business leaders defer decisions to IT or the system integrator, organizations often miss opportunities to improve processes and operating models.

Warning signs include:

- *Limited executive engagement*
- *Business leaders missing workshops*
- *Technology teams making business decisions*
- *Success measured by system delivery rather than business outcomes*

3. Governance Meetings Focus Only on Status Updates

Healthy governance drives decisions.

Troubled programs often spend governance meetings reviewing schedules, discussing red-yellow-green status reports, and repeating issues without resolution.

Strong governance meetings should:

- *Remove roadblocks*
- *Escalate decisions*
- *Address risks*
- *Hold leaders accountable*

If meetings generate activity but not decisions, governance may not be functioning effectively.

4. Critical Decisions Keep Getting Deferred

Every ERP program contains difficult decisions.

Organizations that delay decisions usually believe they are reducing risk when they are increasing it.

Common examples include:

- *Future-state process design*
- *Organizational responsibilities*
- *Data ownership*
- *Reporting requirements*
- *Operating model changes*

Deferred decisions eventually become project delays.

5. Customizations Continue to Increase

Customization is not always bad, but excessive customization is often a symptom of deeper issues.

Many organizations attempt to replicate legacy processes rather than redesign them.

Questions to consider:

- *Are we solving a genuine business requirement?*
- *Are we avoiding necessary change?*
- *Are we recreating old problems in a new system?*

A growing customization backlog should trigger leadership review.

6. Requirements Are Growing Faster Than Scope Is Being Managed

ERP programs frequently struggle when every request is treated as a requirement.

Uncontrolled growth may indicate:

- *Lack of prioritization*
- *Unclear business objectives*

- *Insufficient governance*
- *Stakeholder misalignment*

Successful programs understand the difference between "must-have" and "nice-to-have."

7. Business Participation Begins to Decline

The business cannot delegate transformation to consultants.

When key business users become disengaged, miss workshops, fail to review deliverables, or stop participating in testing, risk rises significantly.

Watch for:

- *Poor workshop attendance*
- *Delayed decision-making*
- *Limited testing participation*
- *Incomplete process validation*

Business engagement is one of the strongest predictors of ERP success

8. Risks Are Being Discussed but Not Managed

Every project has risks.

Successful programs identify risks early, assign ownership, and actively manage mitigation plans.

Troubled programs often have risk registers that continue to grow while few actions are taken.

Ask:

- *Who owns each major risk?*
- *What specific mitigation actions are underway?*
- *When will those actions be completed?*

Visibility without accountability does not reduce risk.

9. Go-Live Becomes the Only Definition of Success

Go-live is a milestone - not the objective.

Organizations that focus exclusively on deployment often overlook:

- *Adoption readiness*
- *Process effectiveness*
- *Organizational change*
- *Business outcomes*
- *Long-term value realization*

A system can go live successfully and still fail to deliver expected business benefits.

10. Leadership Cannot Clearly Define Success

Perhaps the most concerning warning sign is when stakeholders have different views of what success looks like.

Ask five leaders these questions:

- *Why are we implementing ERP?*
- *What business problems are we solving?*
- *What outcomes define success?*

If you receive five different answers, alignment may be missing.

Without a shared vision, teams often pull in different directions, creating confusion, rework, and unnecessary risk.

Final Thoughts

Most ERP programs do not fail because of software limitations, technical challenges, or implementation methodology.

They struggle because ownership is unclear, governance becomes ineffective, difficult decisions are postponed, and business leaders lose sight of the outcomes they are trying to achieve.

The earlier these warning signs are identified, the easier they are to address.

The most successful ERP transformations are led by engaged business leaders, supported by strong governance, driven by clear process ownership, and focused on delivering measurable business value.

About RedCat Consulting Group

RedCat Consulting Group helps organizations navigate complex ERP transformations, recover struggling programs, and establish the governance, business ownership, and process discipline needed for long-term success. Through executive advisory, transformation strategy, and ERP recovery services, we help organizations reduce risk and deliver meaningful business outcomes.

Want an independent assessment of your ERP program? Contact RedCat Consulting Group to discuss your transformation challenges and opportunities.