

XIMPLE SOLUTIONS

Empowering Distribution Excellence

ERP READINESS CHECKLIST

Assess Your Processes, Data, and Internal Capacity
Before Starting an ERP Project

5

Critical Dimensions

100+

Checklist Items

100

Point Scoring

For Wholesale Distributors

Electrical • HVAC • Plumbing • Industrial • Fasteners • Tobacco • Cash & Carry • Pharmaceutical

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Introduction

Why ERP Readiness Matters

Implementation success depends more on your internal preparation than on the software vendor. The most common causes of ERP project failures aren't technology problems—they're readiness problems: poor data quality, undefined processes, inadequate resources, and lack of executive commitment.

This checklist will help you honestly assess your organization's readiness across five critical dimensions before you begin an ERP project. Use it to identify gaps, develop remediation plans, and set realistic expectations for your implementation timeline and resource requirements.

This Checklist Helps You:

- ✓ Evaluate your current process maturity
- ✓ Assess data quality and migration readiness
- ✓ Determine internal capacity and resources
- ✓ Identify risks and gaps before you start

How to Use This Checklist

- Work through each section with your cross-functional team
- Check items that are fully in place today
- Leave unchecked items that need work
- Score each section using the scoring guide
- Calculate your overall readiness score
- Use the results to build your pre-implementation action plan

PRO TIP

Be honest in your assessment. Overestimating readiness leads to implementation delays, budget overruns, and frustrated teams. Identifying gaps now allows you to address them proactively.

Section 1

Executive Sponsorship & Organizational Commitment

ERP implementations are business transformation initiatives, not IT projects. Without visible executive commitment and organizational buy-in, even the best technology will fail to deliver results.

Leadership Commitment

- **Executive Sponsor Identified:** A C-level executive (CEO, CFO, or COO) has agreed to sponsor the project and champion it throughout the organization.
- **Time Commitment Secured:** The executive sponsor has committed to weekly project updates and monthly steering committee meetings.
- **Budget Authority Confirmed:** The sponsor has authority to approve the full project budget, including contingency funds.
- **Strategic Priority Declared:** Leadership has communicated that ERP implementation is a strategic priority for the organization.
- **Change Resistance Addressed:** Leadership is prepared to address resistance and make difficult decisions when necessary.

Organizational Buy-In

- **Department Heads Aligned:** Leaders from Operations, Sales, Finance, Purchasing, and Warehouse are supportive of the initiative.
- **Pain Points Documented:** Key stakeholders have articulated current system frustrations and desired improvements.
- **Shared Vision Established:** The organization has a clear, shared vision of what success looks like post-implementation.
- **Communication Plan Ready:** A plan exists for communicating project goals, timeline, and expectations to all employees.
- **Union/Employee Relations Considered:** If applicable, union or employee relations implications have been addressed.

Strategic Alignment

- **Business Case Documented:** A written business case outlines expected ROI, benefits, and success metrics.
- **Growth Plans Considered:** The ERP selection accounts for planned growth (new branches, acquisitions, new product lines).
- **Competitive Positioning:** Leadership understands how modern ERP will improve competitive positioning.
- **Timeline Realistic:** Leadership has realistic expectations about implementation timeline (typically 3-12 months).
- **Risk Tolerance Defined:** The organization has discussed acceptable risk levels and mitigation strategies.

Section 1 Scoring	Points	Your Score
13-15 items checked	20 points	
10-12 items checked	15 points	
7-9 items checked	10 points	
4-6 items checked	5 points	
0-3 items checked	0 points	

Section 2

Data Quality & Migration Readiness

"Garbage in, garbage out" is the most common cause of ERP implementation failures. Assess your current data quality honestly—cleaning data during implementation is expensive and delays go-live.

Customer Data

- Customer Records Centralized: All customer information exists in a single system (not scattered across spreadsheets and emails).
- Duplicates Identified: You know how many duplicate customer records exist and have a plan to consolidate them.
- Contact Information Current: Customer addresses, phone numbers, and email addresses are up-to-date.
- Credit Information Complete: Credit limits, payment terms, and tax exemptions are documented for all customers.
- Ship-To Addresses Validated: Multiple ship-to locations are properly linked to parent accounts.
- Pricing Tiers Defined: Customer pricing tiers and contract pricing are documented and current.

Vendor/Supplier Data

- Vendor Master Complete: All active vendors are in your system with current contact and remittance information.
- Payment Terms Documented: Payment terms, early payment discounts, and freight terms are recorded for each vendor.
- Vendor Part Numbers Mapped: Cross-references between your item codes and vendor part numbers exist.
- Lead Times Accurate: Vendor lead times are documented and reasonably accurate.
- Rebate Programs Documented: Current rebate programs, tiers, and deadlines are recorded.

Item/Product Data

- Item Master Clean: Product descriptions follow consistent naming conventions.
- Duplicates Purged: Duplicate SKUs have been identified and a consolidation plan exists.
- Obsolete Items Flagged: Items no longer sold have been identified for exclusion from migration.
- Units of Measure Standardized: UOM conversions (each, box, case, pallet) are accurate and consistent.
- Costs Current: Item costs reflect current vendor pricing.
- Categories/Classes Defined: Product categorization supports reporting and analysis needs.

Financial Data

- Chart of Accounts Reviewed: The chart of accounts has been reviewed and updated for the new system.
- Open AR Balances Reconciled: Accounts receivable balances are accurate and reconciled.
- Open AP Balances Verified: Accounts payable balances are accurate and reconciled.
- Bank Accounts Documented: All bank accounts and payment methods are documented.
- Tax Rates Current: Sales tax rates and tax jurisdiction assignments are up-to-date.

Inventory Data

- Physical Inventory Recent: A physical inventory count has been completed within the last 6 months.
- Inventory Accuracy Known: You know your current inventory accuracy percentage.
- Bin Locations Documented: Warehouse bin locations are mapped and documented.
- Lot/Serial Tracking Defined: Requirements for lot and serial number tracking are defined.
- Costing Method Confirmed: The inventory costing method (FIFO, average, etc.) is confirmed.

Section 2 Scoring	Points	Your Score
24-27 items checked	25 points	
18-23 items checked	20 points	
12-17 items checked	15 points	
6-11 items checked	10 points	
0-5 items checked	5 points	

Section 3

Process Documentation & Standardization

ERP implementation is an opportunity to improve processes, not just automate broken ones. Understanding how work actually flows today—versus how it's supposed to flow—is critical for successful configuration.

Order-to-Cash Processes

- Order Entry Documented: The process for entering orders (counter, phone, online) is documented.
- Pricing Logic Written: How pricing decisions are made (who approves discounts, when exceptions occur) is documented.
- Credit Check Process Defined: The credit approval process and authority levels are documented.
- Fulfillment Workflow Mapped: The flow from order to pick to ship to invoice is documented.
- Returns Process Defined: Return authorization, receiving, and credit processes are documented.
- Collections Process Documented: AR aging follow-up and collections procedures are documented.

Procure-to-Pay Processes

- Purchasing Workflow Mapped: The process from requisition to PO to receipt to payment is documented.
- Vendor Selection Criteria: How vendors are selected and approved is documented.
- PO Approval Levels Defined: Purchase order approval thresholds and authorities are documented.
- Receiving Procedures Written: Receiving, inspection, and put-away procedures are documented.
- Invoice Matching Process: Three-way matching (PO, receipt, invoice) process is documented.
- Vendor Returns Documented: The process for returning goods to vendors is documented.

Inventory & Warehouse Processes

- Receiving Workflow Mapped: How inventory is received, inspected, and put away is documented.
- Pick/Pack/Ship Documented: Order picking, packing, and shipping procedures are documented.
- Cycle Counting Defined: Cycle counting procedures and schedules are documented.
- Transfer Process Mapped: Inter-branch transfer procedures are documented.
- Replenishment Rules Defined: Min/max, reorder points, and replenishment logic are documented.
- Bin Location Strategy: Warehouse organization and slotting strategy are documented.

Financial Close Processes

- Month-End Checklist Exists: A documented checklist guides month-end close activities.
- Reconciliation Procedures: Bank, inventory, and intercompany reconciliation procedures exist.
- Journal Entry Approvals: Journal entry approval workflows are documented.
- Report Distribution: Financial report distribution and review procedures are documented.

Role & Security Requirements

- User Roles Defined: Distinct user roles (counter, warehouse, sales, buyer, manager) are defined.
- Permission Matrix Created: A matrix shows which roles access which functions and data.
- Approval Hierarchies Mapped: Approval workflows and escalation paths are documented.
- Segregation of Duties: Conflicting duties (e.g., create vendor/approve payment) are identified.

Section 3 Scoring	Points	Your Score
22-26 items checked	20 points	
16-21 items checked	15 points	
10-15 items checked	10 points	
5-9 items checked	5 points	
0-4 items checked	0 points	

Section 4

Internal Capacity & Project Resources

ERP implementation requires significant time from your best people. Underestimating resource requirements is a leading cause of project delays and failures.

Project Team Availability

- Project Manager Identified: An internal project manager has been identified and has authority to make decisions.
- PM Time Allocated: The project manager can dedicate 50-100% of their time to the project.
- Department Champions Named: Each major department has a designated subject matter expert for the project.
- Backfill Plan Exists: Plans are in place to cover the regular duties of team members during implementation.
- IT Resources Available: IT staff (or outsourced support) is available for integrations and technical tasks.

Skill & Knowledge Assessment

- Process Knowledge Documented: Key employees understand and can articulate current business processes.
- Technical Aptitude Present: Team members are comfortable learning new software systems.
- Change Agents Identified: Employees who embrace change and can influence peers have been identified.
- Training Capacity Planned: Time has been allocated for team members to participate in training.
- Super Users Designated: Power users who will become internal experts have been identified.

Infrastructure Readiness

- Internet Connectivity Assessed: Internet bandwidth at all locations has been evaluated for cloud ERP.
- Hardware Inventory Complete: Current workstations, printers, scanners, and mobile devices are inventoried.
- Hardware Upgrades Budgeted: Budget exists for necessary hardware upgrades (barcode scanners, mobile devices).
- Network Security Reviewed: Network security and firewall configurations have been reviewed.
- Backup Systems Assessed: Current backup and disaster recovery capabilities have been evaluated.

Budget & Timeline Realism

- Full Budget Approved: Budget covers software, implementation services, hardware, and training.
- Contingency Included: A 15-20% contingency is included for unexpected costs.
- Internal Costs Estimated: Internal labor costs (backfill, overtime) are estimated and budgeted.
- Go-Live Timing Planned: Target go-live avoids peak business periods (fiscal year-end, busy season).
- Parallel Operation Planned: Budget and time allow for parallel system operation during transition.

Change Management Preparation

- Communication Plan Drafted: A plan exists for communicating project updates to all employees.
- Resistance Points Identified: Potential sources of resistance have been identified with mitigation plans.
- Training Budget Adequate: Budget is sufficient for comprehensive role-based training.
- Success Metrics Defined: Clear, measurable success criteria have been established.
- Post-Go-Live Support Planned: Resources are planned for intensive support during stabilization.

Section 4 Scoring	Points	Your Score
22-25 items checked	20 points	
16-21 items checked	15 points	
10-15 items checked	10 points	
5-9 items checked	5 points	
0-4 items checked	0 points	

Section 5

Distribution-Specific Requirements

Wholesale distribution has unique requirements that generic ERP systems don't address. Assess your readiness to define these distribution-specific needs.

Pricing Complexity

- Pricing Structure Documented: Your pricing model (matrix pricing, customer tiers, contract pricing) is documented.
- SPAs/Contract Pricing Listed: All special pricing agreements and contract pricing are inventoried.
- Rebate Programs Documented: Vendor rebate programs, tiers, and claiming processes are documented.
- Margin Requirements Defined: Minimum margin rules and approval thresholds are documented.
- Price File Sources Identified: Vendor price file sources (IDW, Trade Service, EDI) are documented.

Multi-Branch Operations

- Branch Structure Mapped: Your branch/location structure is documented with relationships.
- Transfer Policies Defined: Inter-branch transfer policies and approval levels are documented.
- Branch P&L Requirements: Branch-level profitability reporting requirements are defined.
- Centralized vs. Local: Which functions are centralized vs. branch-managed is defined.
- Shared Inventory Rules: Rules for sharing inventory across branches are documented.

Industry-Specific Needs

- Regulatory Requirements: Industry-specific compliance requirements (DSCSA, excise tax, etc.) are documented.
- Buying Group Participation: Buying group memberships and reporting requirements are documented.
- EDI Requirements Defined: EDI trading partner requirements are documented.
- Specialty Inventory Needs: Lot tracking, serial numbers, expiration dates, cut-to-length needs are defined.
- Delivery/Route Requirements: Delivery routing and proof-of-delivery requirements are documented.

Integration Requirements

- Current Systems Inventoried: All systems that need to integrate with ERP are identified.
- E-Commerce Platform Defined: E-commerce/customer portal integration requirements are documented.
- Banking Integration Needs: Bank feed and payment processing integration needs are defined.
- Third-Party Apps Listed: Third-party applications (CRM, WMS, TMS) requiring integration are listed.
- Data Exchange Formats: Required data formats and frequencies are documented.

Section 5 Scoring	Points	Your Score
18-20 items checked	15 points	
13-17 items checked	12 points	
8-12 items checked	8 points	
4-7 items checked	4 points	
0-3 items checked	0 points	

Readiness Score Summary

Calculate your total readiness score by adding the points from each section. Use the interpretation guide below to understand what your score means for your ERP project.

Section	Max Points	Your Score
1. Executive Sponsorship	20	
2. Data Quality	25	
3. Process Documentation	20	
4. Internal Capacity	20	
5. Distribution-Specific	15	
TOTAL SCORE	100	

Score Interpretation

80-100

READY TO PROCEED

Your organization is well-prepared for ERP implementation. Address any remaining gaps and proceed with vendor selection and project kickoff.

60-79

PROCEED WITH PREPARATION

You can begin vendor evaluation while addressing gaps. Create a 60-90 day action plan to remediate weak areas before implementation begins.

40-59

SIGNIFICANT PREPARATION NEEDED

Significant readiness work is required. Focus on the lowest-scoring sections before beginning implementation. Consider a 90-180 day preparation phase.

0-39

NOT READY - FOUNDATIONAL WORK REQUIRED

Your organization needs foundational work before an ERP project. Rushing forward risks project failure. Develop a 6-12 month readiness roadmap.

Action Planning

Addressing Readiness Gaps

Use this section to prioritize and plan remediation of your readiness gaps. Focus on the highest-impact items first.

Priority Action Items

List your top 5 gaps that must be addressed before implementation:

#	Gap / Action Item	Owner	Target Date
1			
2			
3			
4			
5			

Data Cleanup Timeline

Based on your Section 2 assessment, estimate your data cleanup timeline:

Customer Data Cleanup	_____ weeks
Vendor Data Cleanup	_____ weeks
Item Master Cleanup	_____ weeks
Physical Inventory	_____ weeks
Total Data Prep Time	_____ weeks

Resource Commitment Confirmation

Have key stakeholders sign off on their commitment:

Role	Name	Signature/Date
Executive Sponsor		
Project Manager		
Finance Lead		
Operations Lead		
IT Lead		
Sales Lead		

Next Steps

Partner with Ximple Solutions

Completing this readiness assessment is the first step toward ERP success. Now you have a clear picture of your organization's strengths and the gaps that need attention before implementation begins.

How Ximple Can Help

Ximple Solutions specializes in helping wholesale distributors prepare for and execute successful ERP implementations. Our distribution expertise means we understand your challenges and can help you:

- Interpret your readiness assessment results and prioritize remediation efforts
- Develop a realistic implementation timeline based on your current state
- Plan data migration strategies that minimize risk and business disruption
- Design training programs that ensure user adoption and success
- Configure our distribution-specific ERP to match your exact business processes

Why Distributors Choose Ximple

- ✓ Purpose-built for wholesale distribution—not retrofitted generic software
- ✓ Cloud-native architecture with enterprise-grade security and reliability
- ✓ Proven implementation methodology refined across hundreds of distributors
- ✓ Industry-specific modules for electrical, plumbing, HVAC, industrial, tobacco, and more
- ✓ Integrated WMS, CRM, and financials—no bolt-ons or middleware required
- ✓ Ongoing support from a team that understands distribution operations

Ready to Discuss Your ERP Project?

Schedule a free readiness consultation with our distribution ERP specialists.

We'll review your assessment results and help you build a path to success.

■ Call Us:

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✉ Email:

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Schedule a Demo Today