

Part 15 of 20

# Value Realization: Measuring Whether the Investment Delivered

The framework for tracking actual ERP value against the business case — and the disciplines that close the gap when delivery falls short

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## WHAT YOU WILL LEARN AND WHY IT MATTERS

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Value realization is the activity that closes the governance loop on the ERP investment — that measures whether the system delivered the efficiency gains, accuracy improvements, visibility enhancements, and compliance benefits that the business case projected, and that identifies and addresses the gaps when delivery falls short of projection. It is the organizational discipline that most ERP implementations lack, and its absence is why so many ERP projects claim success at go-live but fail to produce the business value that justified the investment.

The absence of value realization discipline has two consequences. The first is that value gaps — the differences between projected and actual benefits — are not identified and addressed, allowing them to persist as permanent shortfalls rather than being corrected through targeted interventions. A gap in efficiency realization that is identified six months after go-live and attributed to training shortfalls can be corrected through supplemental training. A gap that is never measured is never corrected and simply reduces the realized return on the ERP investment without explanation.

The second consequence is that the organization loses the opportunity to learn from the experience and apply the learning to future ERP decisions — future enhancements, future upgrades, or future implementations for other entities or functions. The retrospective insight of a rigorous post-implementation review is one of the most valuable inputs available for improving the quality of future ERP decisions, and it is available only if the disciplined measurement infrastructure was established at the time of the implementation.

This part covers the complete value realization framework: the metrics that measure ERP value across the five benefit categories from the business case, the post-implementation review process, the common value gap patterns and their root causes, and the continuous improvement discipline that extracts additional value from the existing system over time.

## THE VALUE REALIZATION METRICS FRAMEWORK

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The value realization metrics framework connects the five benefit categories from the business case — efficiency, accuracy, visibility, compliance, and scalability — to specific, measurable operational metrics that can be tracked before and after implementation to quantify the actual benefits realized. Each metric should have a baseline value measured before go-live, a target value specified in the business case, and an actual value measured at defined intervals after go-live.

Efficiency metrics measure the time and cost savings from process automation and workflow improvement. The primary efficiency metrics for a typical ERP implementation include the monthly financial close time — measured from the last day of the period to the completion of the final management reporting package — the accounts payable processing cost per invoice — the fully-loaded cost of processing one vendor invoice from receipt to payment — the accounts receivable days sales outstanding

— the average number of days from invoice creation to cash collection — and the finance team headcount productivity — the revenue per finance team member or the transaction volume per finance team member. Each of these metrics should be measured monthly and compared to the pre-implementation baseline to quantify the actual efficiency improvement realized.

Accuracy metrics measure the reduction in financial data errors that the ERP's automated controls and workflow enforcement produce. The primary accuracy metrics include the number of financial statement restatements or significant error corrections per period — ideally zero after implementation — the number of audit adjustments required by external auditors — a reduction from pre-implementation levels indicating improved control effectiveness — and the three-way match rate in accounts payable — the percentage of invoices that match the PO and receiving record automatically without manual investigation.

Visibility metrics measure the improvement in analytical reporting quality and timeliness. The primary visibility metrics include the number of reports produced directly from the ERP versus manually assembled in spreadsheets, the lag between close completion and management report delivery, and the number of ad hoc data requests processed per period — a declining trend indicating improving self-service capability. These metrics are more qualitative than the efficiency and accuracy metrics, but they are measurable and they reveal whether the analytical capability investment is being realized in practice.

#### THE POST-IMPLEMENTATION REVIEW

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The post-implementation review is a structured assessment of the ERP implementation conducted approximately six to twelve months after go-live — far enough after go-live for the operational benefits to be measurable, but close enough that the implementation team's knowledge is still accessible and the gap between projected and actual benefits is still correctable through targeted interventions.

The post-implementation review examines four dimensions. The first is benefit realization: the comparison of actual metric performance against the business case projections in each benefit category, with specific quantification of the realized versus projected benefit and identification of the most significant gaps. The second dimension is user adoption: the assessment of whether users are genuinely using the system as designed or reverting to legacy workarounds, measured through user activity analysis and process compliance audits. The third dimension is system quality: the assessment of whether the system configuration is delivering the intended functionality, including the resolution status of defects identified at go-live and the identification of configuration gaps that have emerged in production use. The fourth dimension is process compliance: the assessment of whether the financial processes are being executed as designed, or whether informal deviations have developed that undermine the control effectiveness or efficiency of the designed process.

The post-implementation review should be facilitated by a participant who can provide objective analysis — ideally someone who was not a member of the implementation team and therefore does not have a stake in the review conclusions. External facilitation by a finance systems advisor or an internal audit

resource provides the independence that implementation team members cannot provide when reviewing their own work.

The review output should be a specific action plan — not a narrative assessment of what was done well and what could be improved, but a list of specific corrective actions with owners, timelines, and expected outcomes. Each identified value gap should have a corresponding action that will close it: supplemental training to address adoption shortfalls, configuration changes to address functionality gaps, process changes to address compliance deviations, or technology investments to address reporting limitations. The action plan is the mechanism through which the post-implementation review translates diagnostic insight into operational improvement.

### COMMON VALUE GAP PATTERNS

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The value gaps that most commonly appear in ERP post-implementation reviews follow predictable patterns, and recognizing these patterns in the early post-go-live metrics allows targeted interventions before the gaps become permanent shortfalls.

The training gap pattern produces efficiency and accuracy metrics that are worse than projected despite the system being correctly configured. When the metrics are poor in the first two to three months after go-live but improve toward target over the following three to six months, the gap reflects the normal learning curve for new system adoption and does not require intervention beyond the standard super-user support and continued training reinforcement. When the metrics plateau at a level significantly below target after six months without improvement, the gap reflects a persistent training or adoption failure that requires specific intervention: individual performance analysis to identify the users whose performance is furthest from target, supplemental training targeted at their specific skill gaps, and management reinforcement that makes adoption performance a visible management priority.

The scope reduction pattern produces metrics that are close to target in the implemented modules but that reveal persistent value gaps in the areas where implementation scope was reduced — the modules that were descoped to meet budget or timeline constraints and that were supposed to be implemented in a post-go-live phase. When the post-go-live phase investments are deprioritized in favor of other business initiatives — as they frequently are when go-live consumes more implementation budget than planned — the descoped capabilities are never implemented, and the business case value they represented is never realized. The post-implementation review should explicitly identify and quantify the benefit gaps attributable to scope reduction, creating the business case for the follow-on implementation investment.

The integration degradation pattern produces metrics that were close to target at go-live but that deteriorate over time as integration failures accumulate. This pattern reflects the inadequate integration governance described in Part Ten — the absence of the change notification, monitoring, and compatibility testing disciplines that prevent integration breaks. The correction requires implementing the integration governance practices retroactively and addressing the specific integration failures that have accumulated.

## CONTINUOUS IMPROVEMENT DISCIPLINE

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The continuous improvement discipline is the organizational practice of systematically identifying and implementing incremental enhancements to the ERP configuration, the integrated process design, and the reporting architecture that extract additional value from the existing system over time — without requiring the organizational disruption of a major re-implementation.

The continuous improvement program should be governed by a standing ERP enhancement committee — a regular meeting of the finance systems owner, the key process owners, and the CFO or controller — that reviews enhancement requests, prioritizes them based on value and feasibility, and coordinates their implementation through the change control process. The enhancement committee creates the organizational forum for the incremental improvement of the system without the ad hoc, uncoordinated change requests that accumulate into technical debt and configuration complexity.

Enhancement requests should be sourced from four channels. User feedback — the observations of daily system users about specific friction points, inefficiencies, or missing capabilities — is the most granular source of improvement opportunities. Process performance metrics — the efficiency, accuracy, and visibility metrics from the value realization framework — identify the areas of the system where performance is below target and where configuration or process changes might close the gap. Vendor release notes — the new features and capabilities in each ERP platform update — identify improvements that are available at no additional cost through the regular platform upgrade cycle. And benchmark comparison — the assessment of how the organization's process performance compares to industry benchmarks and to best practices at comparable implementations — identifies the areas where additional improvement is available relative to the best achievable performance on the platform.

The enhancement program should have a defined annual investment budget — typically ten to twenty percent of the original implementation investment — that provides predictable funding for the continuous improvement activities. Organizations that do not fund enhancement programs find that their ERP systems gradually fall behind the operational requirements of the growing business, creating the frustration and workaround accumulation that eventually triggers another major implementation cycle.

## ACTIONS TO TAKE IN THE NEXT THIRTY DAYS

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The following actions will establish the value realization discipline for an active or recent ERP implementation.

The first action is to establish the pre-implementation baseline measurements for each of the key value realization metrics — close time, AP processing cost per invoice, DSO, error rate, and reporting production time — if they have not already been measured. Without a baseline, the post-implementation comparison has no reference point, and the value realization assessment is limited to subjective

impressions rather than quantitative evidence.

The second action is to schedule the post-implementation review for six months after go-live and identify the facilitator and the review team. Scheduling the review before go-live occurs — as a standing commitment in the project plan — prevents it from being deprioritized in the competing demands of the post-go-live period. The review date should be communicated to the implementation partner as an expectation that their post-go-live support will extend to the review period.

The third action is to establish the ERP enhancement committee and its governance structure — the membership, the meeting cadence, the enhancement request process, and the annual enhancement budget — within the first three months after go-live. Creating the continuous improvement governance structure early in the post-go-live period establishes the organizational expectation that ERP improvement is an ongoing activity rather than a completed project.

The fourth action is to review the business case from the original ERP investment decision and identify the two or three most significant value projections — the specific efficiency improvements, accuracy enhancements, or visibility gains that represented the largest components of the projected ROI. Develop a measurement plan for each that specifies how the actual value will be measured, the target date for the measurement, and the responsible party. These three measurements will be the primary indicators in the post-implementation review of whether the investment is delivering its projected return.

## CLOSING PERSPECTIVE

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Value realization is where the analytical rigor of the ERP investment cycle is completed — where the promises of the business case are measured against the reality of post-go-live performance, where gaps are diagnosed and addressed rather than accepted as permanent shortfalls, and where the organizational learning from the implementation experience is captured and applied to improve future technology investment decisions.

The organizations that invest in value realization discipline consistently extract more value from their ERP systems than those that measure success by go-live completion and move on. They also make better future technology investments, because the retrospective insight of rigorous post-implementation review is the most honest and most directly relevant evidence available for calibrating the assumptions that govern future business cases.

**COMING NEXT IN THE SERIES**

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**Part 16 — Future-State Financial Architecture: Planning the Next Evolution**

Part Sixteen closes the instructional series with the forward-looking financial systems question: how does the ERP fit into the broader technology architecture, when should an organization enhance versus replace its current system, what is the emerging financial systems landscape including AI-native ERP and embedded finance, and how does the CFO own the financial technology roadmap rather than delegating it.

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