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Enterprise Resource Planning in the Healthcare Realm: Implementation Tips

In the first two parts of our Enterprise Resource Planning (ERP) series, we shared an overview of solutions and best practices for [vetting ERP providers](#) and [navigating ERP contracts](#) in the healthcare industry. This third and final installment will discuss tips for enacting a successful ERP implementation.

After a healthcare organization selects the right provider for its unique priorities and finalizes contract negotiation, the implementation process begins. While careful vetting and contract negotiation set the stage for a smooth implementation, attention to detail during the implementation is also critical.

Calendar Milestones and Deadlines

Once a healthcare organization begins working with its ERP provider on implementation, there will be many balls in the air. The organization should appoint a project manager with primary responsibility to ensure that the project is a success. The project manager should not only stay on top of all deadlines, but continually communicate to the ERP provider that the organization expects them to meet the deadlines. Most crucially, the project manager must ensure that the healthcare organization provides timely input to the provider and must give formal and timely notice to the vendor should any deadlines be missed.

Change Orders

As the organization and vendor get deeper into implementation, they may find that changes to the implementation plan are necessary, advisable, or simply desired. It's easy to misapprehend that everyone is on the same page during a virtual meeting or email exchange, especially as individual members from both parties begin to act and feel like they are on the same team, pulling toward the

same goal. It may not come to light until many weeks or months later that the change was not implemented or that additional costs are being incurred. The parties will each benefit from being diligent about change orders, both from the standpoint of documenting changes and because the very process of creating a change order requires a more thoughtful assessment of the full impact of the change. For example, changing the configuration of a sales module could require changes in the accounting or marketing modules.

Adherence to the Testing Procedure

The project manager is also responsible for ensuring that interim deliverables received from the vendor are promptly tested and the vendor receives timely notice of any deficiencies. Where the parties have established testing procedures for interim or final acceptance testing, the test procedures should be followed and, again, timely notice of acceptance or non-acceptance should be given. If necessary or desirable, changes to the testing procedure can be made using a change order.

Takeaways for Healthcare Innovators

Once an agreement has been signed, oftentimes the contract ends up in a physical or virtual drawer, never to be considered again. At least, that is, until some issue arises and calls are made to legal counsel. While such an approach can never be encouraged, it is particularly important to avoid doing so with an ERP implementation. As previously noted, ERP implementation can take months to complete and requires both parties to work very closely. In these circumstances, it's tempting to take early interim successes for granted and stop engaging in detailed tracking, especially as the implementation speeds up. It can also feel more awkward to give formal notices of missed deadlines or deficiencies over time as the parties continue working together, or the organization may fear that giving a formal notice will create ill will or throw speed bumps into the implementation.

However, in ERP implementations as in much of life, the "ostrich approach" rarely works. Too often, a carefully negotiated contract is

weakened or even gutted by failures to properly manage the implementation, follow acceptance and testing procedures, and document change orders. Rather than creating issues, adhering to processes and deadlines keeps everyone on the same page and can head off issues before they become critical.

For more information on ERP, please contact the author of this article. Learn more about Frost Brown Todd's [Health Care Innovation](#) industry team here.

To learn more about ERP contract and implementation tips in our three-part Health Law Matters' ERP blog series, click below for:

[Part 1: Enterprise Resource Planning in the Healthcare Realm: Overview and Vetting Insights](#)

[Part 2: Enterprise Resource Planning in the Healthcare Realm: Contract Tips](#)

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