WHITEPAPER

The Broken Blueprint

Why 1,000-line RFPs and selection consultants are leading manufacturers to the wrong ERP.

A data-driven analysis for midmarket discrete manufacturers.

ERP Outcomes Consulting
Outcomes-Driven ERP Selection for Manufacturers

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erpoutcomes.org

EXECUTIVE SUMMARY

The Selection Process Is Part of the Problem

Every year, hundreds of midmarket manufacturers invest $50,000 to $200,000 or more in third-party selection consultants and embark on exhaustive RFP processes, often generating documents spanning 500 to 1,500 individual line items. The expectation is straightforward: a rigorous, data-driven process should yield the ideal ERP system for their business.

The data tells a different story. Despite the enormous investment in selection methodology, ERP implementation failure rates in discrete manufacturing have reached 73%, with cost overruns averaging 215% according to 2025 research compiled from Panorama Consulting Group and Gartner analyses. Vendor selection errors alone account for 19% of those failures, while 75% of ERP projects overall fail to meet their objectives.

This whitepaper examines the structural flaws in the consultant-led, mega-RFP selection model and provides evidence-based analysis of why this approach systematically steers manufacturing companies toward the wrong ERP decisions. The findings have direct implications for midmarket discrete manufacturers—particularly those operating in engineer-to-order, configure-to-order, and make-to-order environments—who face the highest implementation complexity and risk.

01

SECTION ONE

The Problem by the Numbers

The scale of ERP failure in manufacturing is not a matter of debate. Multiple independent research organizations have converged on remarkably consistent findings that paint a stark picture of the current state of ERP selection and implementation.

73%	Discrete manufacturing ERP projects fail to meet their stated objectives (Panorama/Gartner, 2025)
215%	Average cost overrun for discrete manufacturing ERP implementations
75%	ERP implementation projects that get derailed during execution (Gartner)
19%	ERP failures directly attributed to vendor selection errors
80%	ERP customers who report dissatisfaction with their current system

These are not fringe cases. Analysis of more than 2,400 ERP implementations reveals consistent patterns in failure causation, with discrete manufacturing environments showing amplified risks across every measured category. The complexity inherent in managing variable bills of materials, customer-specific engineering changes, dynamic lead time calculations, and multi-mode production scheduling means that generic selection processes miss the most critical requirements.

Even more telling: according to industry surveys, approximately one in three companies rate their own ERP implementation as unsuccessful. Among those who engage selection consultants, the failure rates remain stubbornly high, suggesting that the process itself is a contributing factor, not a protective one.

02

SECTION TWO

The Anatomy of a 1,000-Line RFP

The modern ERP selection RFP has grown into an unwieldy document that often spans hundreds of pages, containing anywhere from 500 to 1,500 individual line items requiring vendor response. While the impulse behind this exhaustiveness is understandable as manufacturers want to cover every conceivable requirement, often the result is a process that introduces more risk than it mitigates.

The Feature Checklist Trap

The vast majority of mega-RFPs devolve into feature checklists. Line after line asks vendors whether their system supports a specific capability: “Does your system support multi-level bill of materials?” “Can your system generate purchase orders automatically from MRP?” The problem is twofold.

First, nearly all modern ERP systems handle core manufacturing functions competently. Asking whether a Tier II ERP supports purchase orders or work orders is like asking whether a new truck has a steering wheel. The commodity features that dominate mega-RFPs are table stakes, they do not differentiate vendors in any meaningful way.

Second, vendors know exactly how to respond. Most vendors submit voluminous, boilerplate RFP response documents filled with optimistic answers. The vendor’s objective is simply to make it to the next step in the selection process, not to provide an honest assessment of fit. The yes/no format of most RFPs prevents vendors from discussing the nuances of their capabilities, and critical gaps are hidden behind affirmative responses to generic questions.

The Missing Requirements Problem

Paradoxically, RFPs that contain 1,000 lines often still miss the requirements that matter most. Traditional requirements-gathering methods, such as interviewing users, bringing in consultants to document processes, etc., do not identify all requirements. Missing requirements are discovered during implementation, where they cause delays and cost overruns.

When requirements are not specified in sufficient depth, the wrong software can be selected. A system may have a relatively basic implementation of a feature that checks the RFP box, while a far more robust capability was actually needed. This is especially common in discrete manufacturing where process nuances, such as shop floor scheduling logic, engineering change management workflows, quality traceability requirements, can make or break an implementation.

The Scoring Illusion

Most RFP processes rely on weighted scoring matrices to rank vendor responses. While this creates an illusion of objectivity, narrative responses, which cover the most critical and differentiating capabilities, but have no effective way to be rolled into a final score. Selection teams typically read narrative answers and then vote or reach consensus, which is inherently subjective and open to bias. The result is that the most important factors in a selection decision are evaluated through the least rigorous methodology.

03

SECTION THREE

The Selection Consultant Conflict

Selection consultants are positioned as neutral guides in the ERP evaluation process. However, multiple structural incentives create systemic bias that compromises the integrity of their recommendations.

Financial Ties to Vendors

Many selection consultants accept referral fees, kickbacks, or other financial incentives from ERP vendors. These arrangements can be explicit or indirect, but the effect is the same: the consultant's recommendation may prioritize the vendor relationship over the client's best interest. According to Panorama Consulting Group, these financial arrangements compromise the integrity of the consultant's advice and, in severe cases, may constitute fraud.

Beyond direct financial incentives, many consulting firms staff platform-specific implementation resources, such as consultants trained on particular ERP systems, who must be kept utilized to maintain profitability. This creates a powerful internal incentive to recommend the ERP platform that keeps their implementation team billable, regardless of whether it is the best fit for the client's manufacturing environment.

Confirmation Bias and Limited Knowledge

ERP selection consultants, like all professionals, develop a tendency to confirm their initial beliefs. If a consultant has implemented the same ERP system for their last ten clients, they are statistically more likely to recommend it for the eleventh. Organizations should ask consultants to disclose what percentage of their client base selected each ERP solution and if the answer is overwhelmingly one vendor, then the process is not truly independent.

Additionally, many consultants lack deep expertise across the full range of modern ERP platforms. Their familiarity may be concentrated in two or three systems, leading them to dismiss or undervalue alternatives they have not personally implemented. For midmarket manufacturers with specialized requirements, such as advanced production scheduling, complex product configuration, or deep supply chain visibility. This limited perspective can be the difference between selecting a system that fits and one that fails.

The Implementation Revenue Incentive

The most pervasive conflict of interest in ERP consulting is perhaps the most obvious: the same firm that runs the selection is often paid to manage the implementation. Implementation engagements are significantly larger than advisory deals, often by a factor of five to ten. A selection consultant who

recommends a system that their own firm will implement can generate hundreds of thousands of dollars in follow-on revenue. This creates an inherent conflict that no amount of process rigor can fully counteract.

04

SECTION FOUR

Why Manufacturing Is Different

The generic selection methodology fails manufacturing companies most dramatically because it treats ERP selection as a technology procurement exercise rather than a business transformation initiative. Manufacturing technology failures rarely happen because a team selected the wrong software in a vacuum. These happen because the organization entered the RFP process without the strategy, clarity, or alignment required to make a good decision.

Complexity Escalation by Production Model

Implementation risk and complexity increase dramatically as manufacturers move from make-to-stock to more customized production models. Engineer-to-order and configure-to-order manufacturers face the highest failure rates because their ERP requirements involve customer-specific BOMs with frequent engineering changes, dynamic lead time calculations, complex job costing, multi-resource scheduling across concurrent orders, and full quality traceability. Generic RFPs, which tend to treat all manufacturers as variations on the same theme, systematically underweight these specialized requirements.

The Business Outcome Gap

Most selection initiatives begin with a conclusion rather than a question: “We need a new ERP.” Once the system is assumed, the rest of the process works backward. Requirements focus on functionality, such as production scheduling, asset management, or inventory control, rather than measurable outcomes like improved throughput, reduced downtime, or optimized supply chain performance.

> *Organizations that treat ERP as a business transformation initiative rather than a software purchase report dramatically better outcomes. Those who frame the project around quantifiable business problems are significantly more likely to achieve the productivity gains, cost reductions, and customer experience improvements that ERP promises.*

05

SECTION FIVE

Cautionary Tales: When Selection Goes Wrong

The consequences of flawed ERP selection are not abstract. High-profile failures across manufacturing and consumer goods demonstrate what happens when fundamental readiness is overlooked, regardless of how sophisticated the selection process appeared.

Revlon (2018): After acquiring Elizabeth Arden, Revlon implemented a new ERP system to consolidate operations. The rollout was catastrophic. Functional issues prevented the company from manufacturing enough product to meet demand, resulting in approximately $64 million in lost net sales and a net loss of $70.3 million by the end of Q4 2018.

MillerCoors (2015): The brewing company engaged a systems integrator to consolidate seven existing ERP instances onto a single platform. The initial system went live with 50 known defects, and thousands more were discovered after rollout, triggering a protracted and expensive recovery effort.

These examples span decades of ERP history, but their strategic missteps are unchanged. Whether the failure stems from flawed vendor selection, unrealistic timelines, data quality gaps, or change management breakdowns, each case reinforces the same lesson: business complexity, when underestimated, will always outpace technology.

06

SECTION SIX

The Outcomes-Driven Alternative

The evidence demands a fundamentally different approach to ERP selection, one built on a single premise: ERP is an organizational change initiative, not a technology project. When you start from that premise, the entire selection process looks different.

Phase One: Business Outcomes Discovery

Before talking about any software, the first question must be answered: What does this company need to look like in 12–24 months, and what's preventing you from getting there?

Using proven principles from behavioral economics, the discovery process helps your team articulate not just what they want to gain, but what they're losing every day they stay on their current path. This is rooted in loss aversion, the well-documented finding that people feel the pain of a loss roughly twice as powerfully as the pleasure of an equivalent gain.

Every quote that takes too long to price because engineering and sales aren't connected is margin walking out the door. Every production schedule built on spreadsheets is a late shipment waiting to happen. Every time someone can't answer "where is my order?" in real time, that's customer trust eroding. These aren't hypothetical future benefits of a new ERP, they are real, ongoing losses the business absorbs every day.

> *When a manufacturer's team articulates those losses themselves, the business case writes itself, and the emotional commitment to change becomes personal, not just organizational.*

Phase Two: Vendor Engagement as Partnership

Traditional selection treats vendors as commodities evaluated at arm's length. An outcomes-driven approach does the opposite: it gives vendors the operational context they need to propose transformative solutions rather than check boxes. When a vendor understands your specific losses, your production model, and your target outcomes, they can bring their best thinking to the table, not just a canned demo script.

Phase Three: Scenario-Based Evaluation

Instead of evaluating feature-by-feature checklist walkthroughs, require vendors to demonstrate solutions against your real-world business scenarios, your part numbers, your BOMs, your scheduling challenges. This approach quickly exposes the gap between a vendor's marketing

narrative and their system's actual capabilities. The decision criterion shifts from "who checked the most boxes" to "who showed the clearest path to achieving our target outcomes."

Phase Four: Outcomes-Based SOW and Accountability

The implementation statement of work should not say "configure software modules." It should say "achieve defined business outcomes with technology as the enabler." Success should not be measured by go-live date and budget alone, it should be measured by business outcomes achieved 6–12 months post go-live.

This entire process, from discovery through vendor engagement through evaluation, can be completed in 8–12 weeks. Traditional selection takes 4–6 months and produces analysis paralysis. An outcomes-driven approach delivers clarity faster because it focuses only on what matters.

07

SECTION SEVEN

Conclusion

The data is unambiguous: the traditional consultant-led, mega-RFP selection process is failing manufacturing companies at an alarming rate. With 73% of discrete manufacturing ERP projects failing to meet objectives and cost overruns averaging 215%, the current methodology is not delivering on its promise of risk reduction.

The structural flaws, which are feature-checklist RFPs that miss critical requirements, consultant conflicts of interest that compromise vendor-neutrality, and scoring methodologies that create an illusion of objectivity, are not incidental. They are systemic. For midmarket discrete manufacturers operating in complex production environments, the consequences of selecting the wrong ERP are existential.

> *Manufacturers who abandon the broken blueprint in favor of an outcomes-driven, psychology-informed selection approach will not only reduce their risk of failure, they will position their organizations to capture the transformative benefits that a well-fitted ERP system can deliver.*

The process does not need to take six months or produce 1,000 lines of requirements. It needs to surface 2–3 measurable business outcomes and build organizational commitment to achieving them.

Start the Conversation

Whether you're beginning an ERP evaluation, currently in a selection process that isn't working, or about to start implementation and want to ensure it stays focused on outcomes, let's talk.

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ERP Outcomes Consulting is vendor-neutral. We do not resell software or receive referral fees from ERP vendors. Our only commitment is to helping manufacturers make the best possible technology decision for their business.