

Government agency finds sufficient evidence to file ERP lawsuit against consulting firm

SITUATION OVERVIEW

Following a failed ERP implementation, this state government agency was analyzing the feasibility of a lawsuit against its software selection and implementation partner.

The government agency had contracted with the consulting firm to assist in the replacement of its tax collection systems but was forced to stop work after nearly two years of delays and inadequate staffing.

Additional issues included:

- Delays in identification of needed system customization
- Cost overruns
- Poor project management and controls
- Failure to clearly define business processes as problem statements



OUR APPROACH

Panorama was tasked with determining whether the situation was reasonable, whether the consulting firm had met the terms of the contract, and whether legal action was warranted.

This involved performing a comprehensive, objective audit of several thousand documents related to the case, including project documentation, emails, project plans, and other materials.

Ultimately, Panorama developed a more than 70-page analysis and argument for the legal team.

Some of the key findings included:

- Extensive customization to the chosen software was reasonable for a public-sector implementation.
- The delay in identifying the amount and type of customization necessary was unreasonable.
- The consulting firm failed to staff the project with ERP software and tax system experts as it had indicated it would.

- A secondary issue that may have augmented the delay was the fixed-price contract entered into by the two parties.

The report was used as the foundation for moving forward with the lawsuit, which will attempt to recover tens of millions of dollars in consulting fees and lost business benefits.

To further bolster the case, Panorama provided the following:

- Additional guidance to legal counsel to craft strategy
- Defense tactics to address potential shortcomings in arguments or findings
- Depositions and expert witness testimony

