

Success Factors Related to a Structured Implementation Methodology

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Today's Topics

- Introduction
- Major Factors Related to Project Success
- Structured Implementation Methodology
- Organizing the Project Team
- Communicating to the Organization
- Project Scope and Budgetary Considerations
- Other Important Tools
- Final Questions

Major Factors Related to Success

- Standard methodology^[2,3]
- Top management commitment^[3,4,5,6,7,8,9]
- Capable project manager^[2,3,6,7,10]
- Clear and undisputed requirements^[2,4,5,6,7,8]
- Available, qualified, and committed resources^[2,4,5,6,7]
- Realistic schedule^[2,4,5]
- Strong scope management^[5,6]
- Clear and continual communications^[3,4]
- Proactive management of risks^[2,4,5,9]
- Properly trained transaction owners^[4,7]

Structured Implementation Methodology

“(A) systematically structured approach” ^[1]

- A “blueprint”
- A “set of rules”
- “Imbedded” – specific to a software package
 - SAP: ARIS
 - Oracle: Application Implementation Method (AIM)
 - Microsoft: SureStep
- “Generic” – suitable for multiple applications

Structured Implementation Methodology Overview and Details

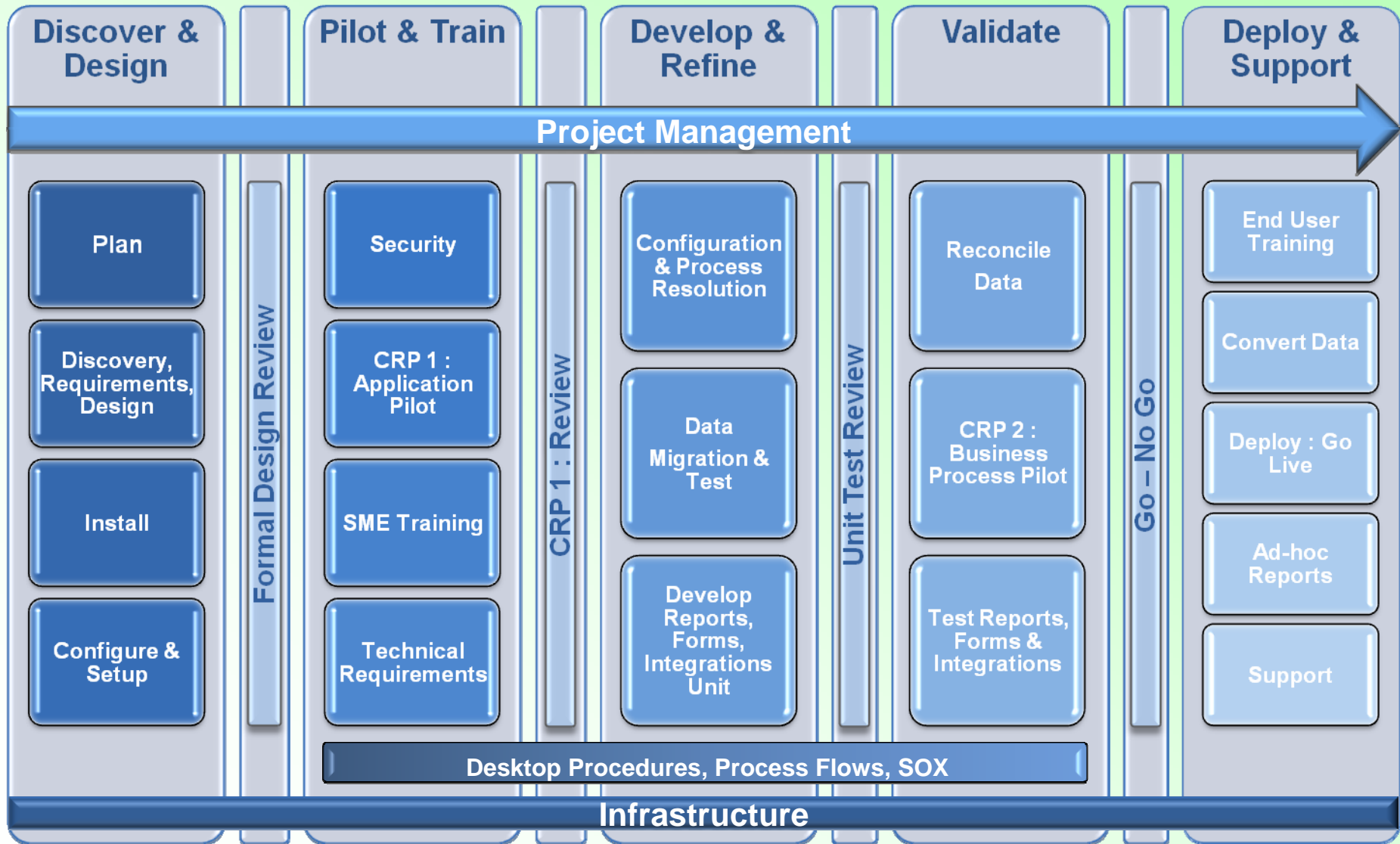
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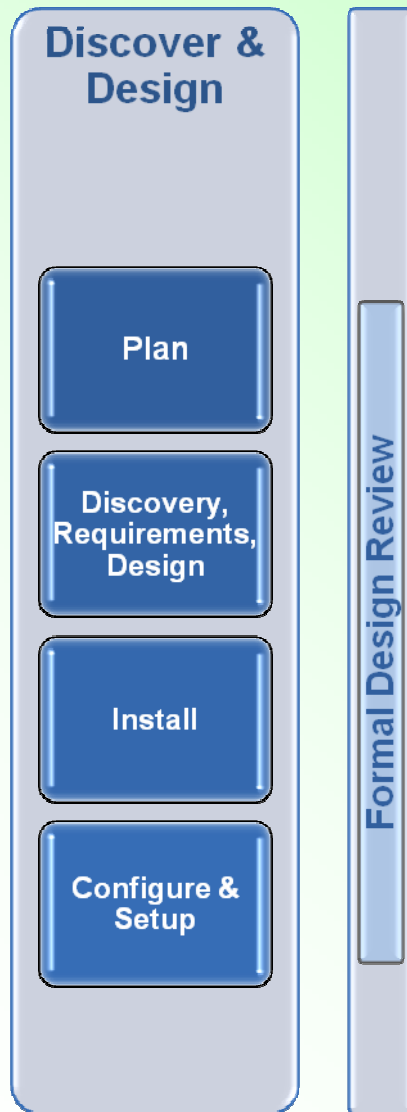
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Making Business Run Smarter

Structured Implementation Methodology

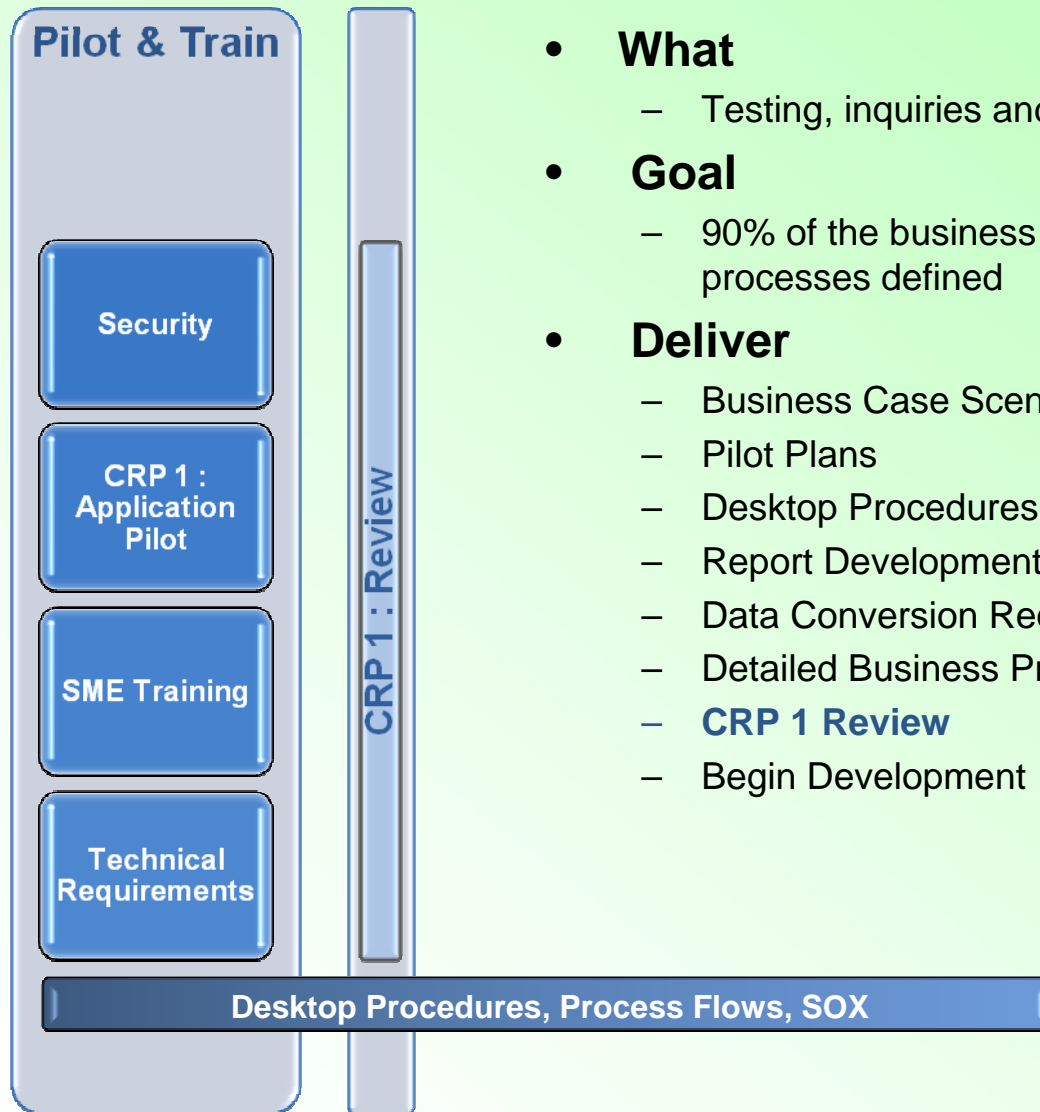


Structured Implementation Methodology



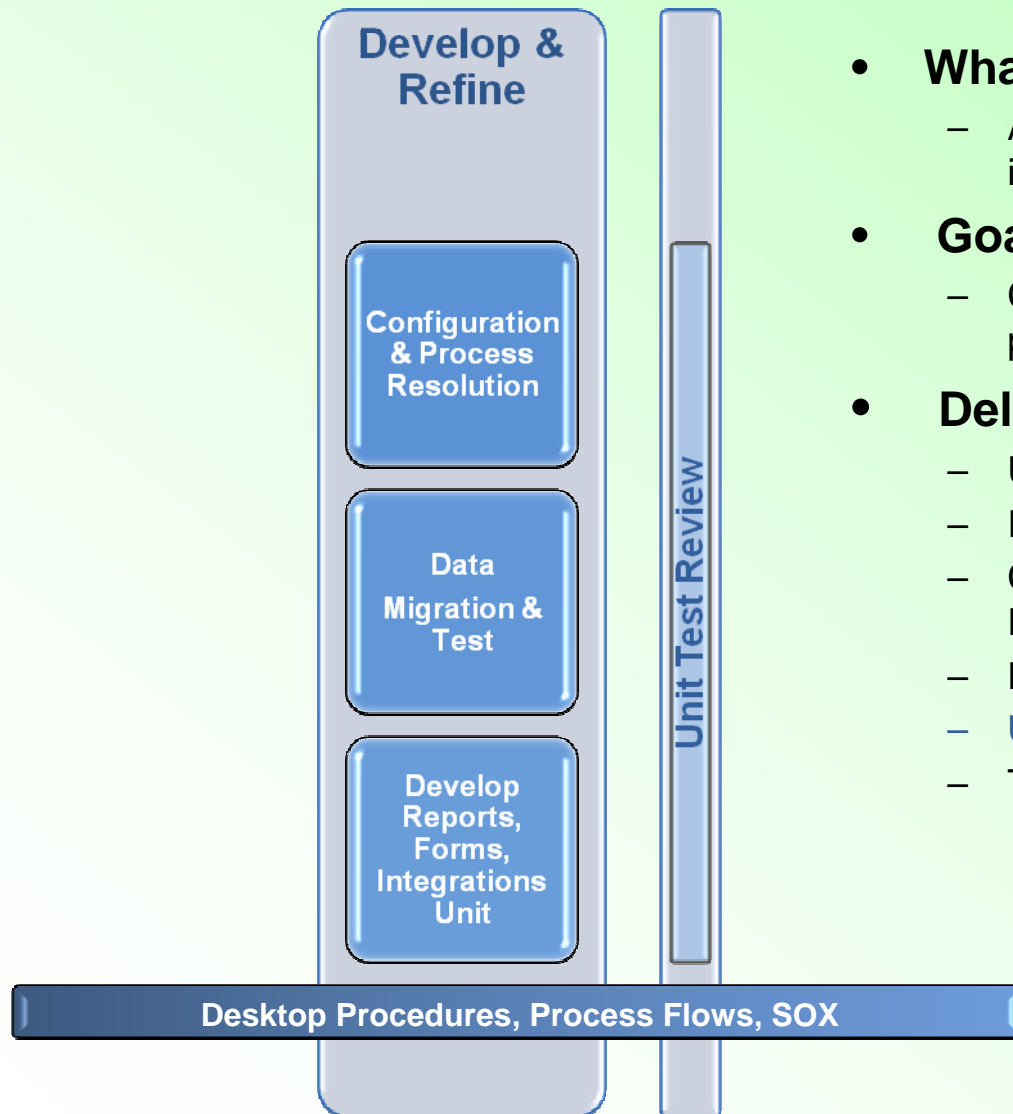
- **What**
 - Clearly define the project scope, deliverables, and timelines
 - Project Team shares data, process flows and application knowledge to analyze and design solutions
- **Goal**
 - Close Project Approval Process and initiate Project activities
 - Reach consensus on design and prepare to execute task to deliver design
- **Deliver**
 - Project Strategy, Scope & Plan
 - Project Plan
 - Budget Approvals
 - Project Kickoff
 - Team Working Sessions
 - Analysis of Current State
 - Gather Requirements, Prioritize & Document
 - Design & Document Solutions
 - **Gain Approval on Requirements & Design**
 - Prepare Environments

Structured Implementation Methodology



- **What**
 - Testing, inquiries and reports
- **Goal**
 - 90% of the business requirements, detail processes defined
- **Deliver**
 - Business Case Scenarios
 - Pilot Plans
 - Desktop Procedures, Process Flows, SOX
 - Report Development Requirements
 - Data Conversion Requirements
 - Detailed Business Process Designs
 - **CRP 1 Review**
 - Begin Development

Structured Implementation Methodology

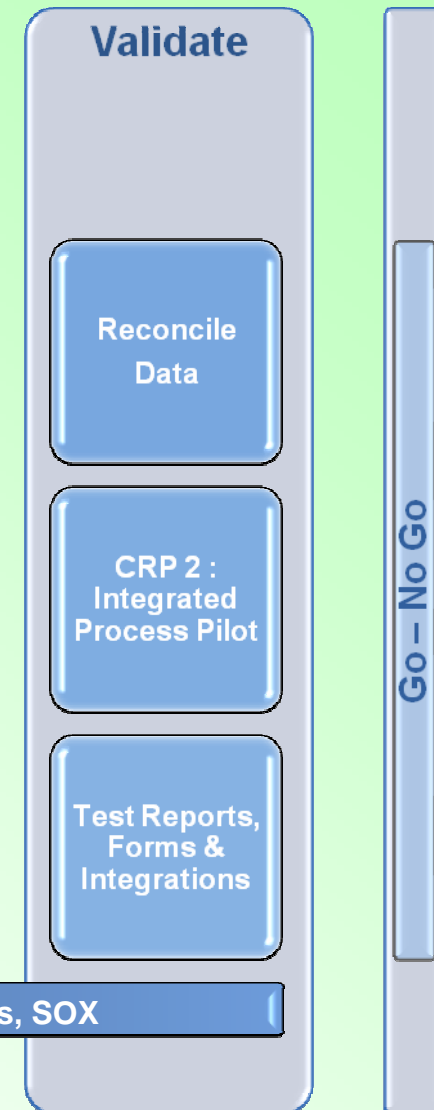


- **What**
 - Additional testing of processes, reports, and interfaces
- **Goal**
 - Complete testing and be prepared for full processes and integrations
- **Deliver**
 - Unit test plans
 - Issue & action closure
 - Continue Desktop Procedures, Process Flows, SOX
 - Data Conversion Strategy
 - **Unit Test Review**
 - Technical documentation

Structured Implementation Methodology

- **What**
 - Validate integrated business processes
 - Validate new application
 - Gain user acceptance
- **Goal**
 - Verify that the processes and new application will support the business
- **Deliver**
 - Integrated conference room pilot
 - Integrated test of business processes, reports and interfaces
 - Final Desktop Procedures, Process Flows, SOX
 - CRP 2
 - System performance assessment
 - **Formal Go – No Go**
 - Report and interface development and validation
 - Deployment & cutover plan

Desktop Procedures, Process Flows, SOX

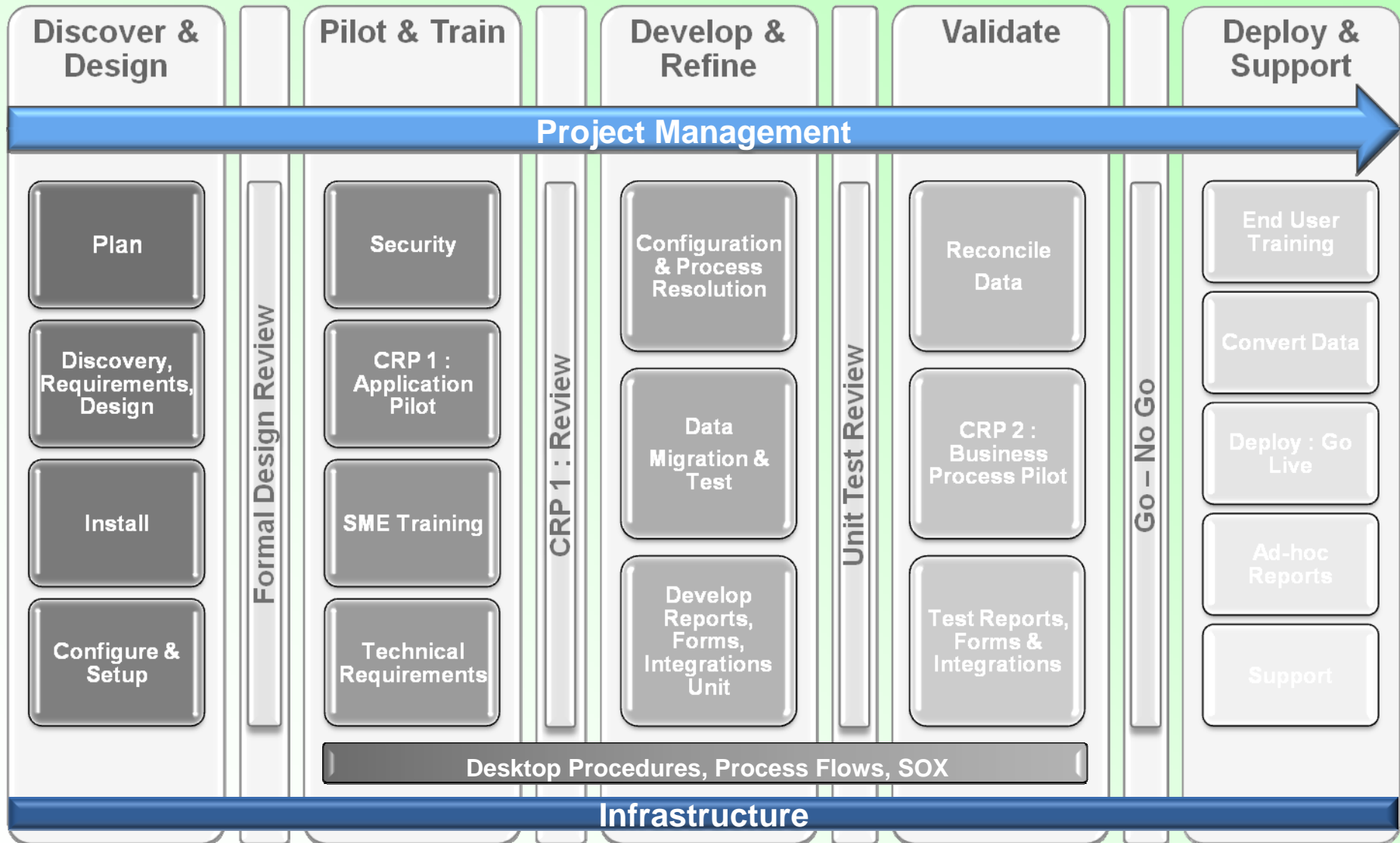


Structured Implementation Methodology



- **What**
 - Final application configuration and preparation
 - Data conversion
 - Final communication to internal/external users
 - **Go-Live**
 - Two weeks of support from Consultants
- **Goal**
 - To execute cutover procedures
 - Establish support process and infrastructure
- **Deliver**
 - Validate cutover/fall back plan
 - Process optimization (if required)
 - Perform all preparation tasks
 - Transition to new processes
 - 1st level support
 - 2nd level support
 - Priority actions
 - Next phase recommendations

Structured Implementation Methodology



Organizing the Team for Success

- Management commitment is imperative
 - Aligned with the priority of the project
 - Involved if organization is affected
 - Designate an executive sponsor
- Qualified, available project team is critical
 - Use the most qualified
 - Reduce their normal workload
- Trained transaction owners are essential
 - Invest in training tools
 - Allow time for training

Organizing the Team for Success



✓ Steering Committee

- Set project direction and maintain project oversight
- Assess impact of proposed opportunities and recommendations and make final decisions
- Act as role models
- Provide leadership and ongoing support
- Own the project

✓ Project Management Team

- Provide day-to-day project management
- Ensure that project objectives are achieved
- Provide process & systems advice to action teams
- Provide leadership
- Coordinate resources and action team participants
- Serve as liaison between action teams and steering committee
- Provide necessary resources
- Monitor and track project status and budget
- Own the Project

✓ Business Champions

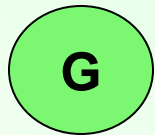
- Define and prioritize requirements
- Design solutions
- Analyze and resolve issues, gaps and risks
- Develop and test business case solutions
- Develop and publish all supporting documentation
- Perform day-to-day project tasks
- Assume accountability for design changes
- Own the project

Clear and Continual Communications

- Communicate the expected change early
 - Use Executive Sponsor
- Have regular meetings
 - Steering committee at least monthly
 - Executive sponsor weekly
 - Project team weekly
- Prepare weekly status reports
 - Accomplishments
 - Issues
 - Timeline

Executive Communication

- Construct a dashboard for executive review



Green: Schedule and budget on target



Yellow: Monitoring Required

» Schedule and/or budget may be in jeopardy



Red: Action Required

» Additional resources and/or scope reduction required

Executive Communication

Project Dashboard - EXAMPLE

OVERALL PROJECT STATUS

Overall Project Status
G

Functional Areas

Finance Status
G
Operations G
IT G

Activity Areas

CRP2 Status
G
Development Tasks G
TPM G
Interfaces Y
OSFM G
Reports Y
Issue Log G

Notes

■ CRP2 Critical to Success

✓ Entry Criteria

- 100% interface transactions
- WIP conversion fully tested
- 100% Automation
- 100% Supply Chain

✓ Exit Criteria

- 1 month transaction volume
- Transaction success rate >95%
- WIP reconciliation and cutover dry run
- All critical issues resolved
- Transfer of knowledge / training
- Production support / exception management
- Performance testing (15 minute cycle)

Project Scope and Budgets

- Beware of “Scope Creep”
 - Have a clearly defined change control process
- Exercise proactive budget management
 - Total Budget (TB): How much has been funded?
 - Actual-to-Date (ATD): How much spent so far?
 - Budget-to-Date (BTD): How much should have been spent so far?
 - Budget vs Actual (BvA): BTD compared to ATD
 - Estimate-to-Complete (ETC): How much will it cost to complete the project from here?
 - Do not assume $ETC = TB - ATD$!
 - Estimate-at-Complete (EAC): $ATD + ETC$
 - $TB - EAC = \text{Underrun (Overrun)}$

Other Important Tools

- Project management software
 - Microsoft Project
- Well maintained Issue Log
 - Issue ID
 - Statement of Issue
 - Current Status
 - Business Impact if not resolved
 - Ownership
 - Critical milestones
- Meeting notes
 - Tip: use a voice recorder
 - Tip: use a camera for whiteboard notes

Summary

- Using a structured approach improves opportunity for success
 - Optimizes executive involvement
 - Drives project ownership
 - Clarifies and aligns requirements
 - Defines scope
 - Enforces discipline
 - Manages risk
 - Enhances communication
 - Improves quality of transactions and data

Questions



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