Importance of Processes in an SAP Implementation Project

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Process on average **92,000 forms** within the payroll hubs every fortnight

Requires approximately **200,000 manual steps**

Involves approximately **130 manual system ‘work-arounds’**, double handling of pay forms, retrospective payments, ad hoc payments and other associated adjustments.

Approximately **500 additional payroll staff** each fortnight.

*Source: KPMG (31 May 2012): Queensland Health, Review of the Queensland Health Payroll System*
NT dumps failed Fujitsu/SAP project

What: Asset Management System (AMS)
Original Budget: $7.2 million
Actual Spend: $70 million
Result: Only 11 per cent fit-for-purpose
Cost to fix it: + $120 million and five years
Result: Abandoned and $70 million wasted – asset management problems remains

They are not alone...

Unrealistic Expectation
- Often influenced by vendors and SI Partners

Unrealistic Budget and Resource Allocation
- Only around 20% of all IT project finished in a timely matter within budget

Cutting Corners
- The majority of organisations fail to realise even half of their expected benefits
  - Reduced testing -> user acceptance problems and possible reputation damage

Common Problem:
Solution Design is not signed off
Only 37% of companies measure the business value of their ERP implementation*

What influences ROI?

- Cost of customisation vs. benefits
- Usage of customisation
- Usage of available and relevant standard solution
- Time of Change

* According to AMR Research, American SAP User Group and SAP
Why Business Processes?
Why Business Processes?

Understanding and Organisational Change Management

Communication

Improvement

versus

Innovation

Best Practice
Examples

- All relevant information is captured as required by law and regulations

Example

- Reduced time through automation
- Self-serve portal to reduce time and cost spend to generate statement and send to customer

Example

- New technology allows to deliver service completely different e.g. Self-serve information for customers that were never available before
- Cross references/evaluations allow different market approach
Internal Preparation before SAP Projects

- Develop Process Architecture for entire organisation (high level)
- Define process improvement methodology
- Select process modelling tool(s) and how they integrate with other ALM tools
- Develop modelling standards and conventions

- Define scope/impact of processes effected by SAP project
- Identify processes that deliver Unique Selling Point (USP) of company in the market
- Define process vision and gap to current performance for impacted processes
- Define relevant KPIs for processes in scope

- Define process owner for each process in scope
- Improve critical processes to deliver the project
- Develop process governance
Critical Support Processes for SAP Projects

- **Manage Human Resources**
  - Onboard new staff (HR and IT)
  - Onboard new contractors (HR and IT)
  - Manage Training (HR and IT)
  - Etc.

- **Manage Procurement**
  - Manage Contracts
  - Manage Vendors
  - Etc.

- **Manage IT**
  - Deliver (IT) Project (Methodology)
  - Manage Master Data
  - Deliver IT Service (ITIL) incl. Change Management
  - Etc.
Implement or Upgrade SAP = Process

SAP

Develop Project Standards

Manage Company

Manage Policies

SAP Best Practice

BPR Content

Solution Design

Project Management Standards

Business Rules

Strategy

Policy

Benefit Realisation Plan

Implemented Solution

Solution Documentation

Upskilled workforce

Manage IT Systems

Setup Projects

Plan Budget

Update Work-instructions

Manage system change

Manage Master Data

Manage Vendors

Manage Contracts

Manage Tender

Manage Training

Deliver Projects

Onboard Staff/Contractors

Deliver IT Service

Project Training Steering Team

Project Sponsor

HR Change Team

SI Partner

SME’s

IT Team

Project Manager

SAP ALM Tools

Business Case

Project Budget

Business Requirements

Security Requirements

Implement/Upgrade SAP

Solution

Policy
Implement or Upgrade SAP = Process
Benefits – Getting Ready

- Better understand Project Scope
  - Risk of unrealistic expectations / scope creep
- Better Budget Planning
  - Risk to go over Budget
- Better Project Delivery
  - Risk to repeat failures,
  - Fix Problems on the fly
- Ready for Change Management
  - No support from business
- Tested Improvement Methodology

Ready for your SAP Project ?!
Processes during a SAP Project

Project Preparation → Business Blueprint → Realization → Final Preparation → Go Live Support → Run
Preparations with SAP Consultant

- Example cases for processes (e.g. standard path, exception)
- ‘SAP Vanilla Flavour’ vs. Competitive Advantage
- High level solution for Change Management after Go Live
- Document systems, tools and methodology for SAP Application Lifecycle Management (ALM)
- Define ownership for ALM
Benefits

- Identify early fit-gap of SAP standard solution with requirements
  - Risk of more customisation
- Manage user expectations
  - Risk of unrealistic expectations
- Better foundation for budget estimates
  - Risk to go over budget
- Ensure documentation fits purpose for change management after Go Live
  - Risk of re-work
- Enable early IT skill development
Business Blueprint Phase

- To-be processes incl. exception handling
  - Process roles
  - Policies and business rules
  - Business risks and controls
  - Metrics and KPIs
  - Business requirements
  - SAP Transactions and reports

- Terms / vocabulary used in Solution

ARIS to SAP.mp4
How much modelling & analysis - risk v. return

- Risk
  - Level of detailed definition of process where risk of insufficient definition is acceptable.
  - Incremental cost of Risk mitigation or resolution.

- Detail
  - Incremental cost of continued process decomposition.
  - Incremental cost of Risk mitigation or resolution.

- Continuation of process decomposition

- Time

- $
Business Blueprint Phase – Sign off

**Walk through processes**

- Go through key scenarios in process model

**Show how process execution looks in system**

- Screen mock-ups
- System Navigation
- Information available to end user

**Reporting, KPIs, Policies**

- Reporting Capability
- Monitoring of KPIs
- Business rules management
- Compliance with policies

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**Business Blueprint**

![Checkmark]
Benefits

- End-User understands what solution could look like
  - Risk of not to get sign-off
- Good foundation to support organisational change and customer impact
  - Risk of losing market share or reputation
- Increased likelihood for completeness of requirements and business rules
  - Risk that solution is not fit-for-purpose
Realisation - Processes

- Update processes where changes between design and build exist
- Detailed processes to manage change
- Functional Testing = Process Steps
- End-to-End testing – Scenario and Processes

ARIS to HPQC.mp4  SAP to HPQC.mp4
**Realisation Phase – Sign off**

**Successful Functional / Unit testing**
- Against detailed requirements

**Successful test of end-to-end processes**
- Using process models to develop test cases
- incl. RICEFWs

**Final walk through for key users**
- Checked against key requirements

Solution Testing

YOUR PARTNER IN PROCESS MANAGEMENT
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Benefits

- Documentation up-to-date
  - Risk of more effort for training
- Reduced time to create tests
  - Risk of reduced testing
- Traceability against requirements
  - Risk to test functionality only
- Reduced effort for readiness for Change Management at time of Go Live
  - Risk of re-documentation to manage change
  - Delay in ability to manage change
Final Preparation

- Process-driven change assessment
- Documentation/development of work instructions
- Develop process-centric training
- Deliver training for existing staff members
- Develop continuous process improvement process capability
Benefits

- Faster evaluation of training needs
  - Risk of missing training requirements

- Train what and when it has been tested
  - Risk of re-work for training material

- Staff enabled to improve processes
  - Risk to miss improvement opportunities

- Less resistance to change
  - Risk of resisting change
Go Live & Run

- Update process documentation to ‘as implemented’
- Coach staff in Continuous Process Improvement
- KPI reporting and management
- Manage Change
Benefits

- Ready to manage back-log of change now
  - Risk of un-structured changes

- Basis for ROI
  - Unable to calculate ROI

- Monitoring and improvement of processes
  - Fail to achieve Benefit Realisation
TCO and Processes

- Measure and compare process KPIs
- Continuous process improvement
- Monitor unused SAP customisations and eliminate all unnecessary customer programs
- Replace used custom code programs with standards from new version
- Manage system changes
No one said it would be easy...

Various stakeholders

Vast number of changes (IT, HR)

Workload during project

Increase level of customer satisfaction

Various Communication needs

Various Purposes and Requirements on Process documentation

Process readability vs. accuracy/usefulness

Process Ownership

Project often Ends at Go Live
Carmen Jacobs
Consulting Director
Leonardo Consulting
t:  +61 (0)423 770 908
e:  c.jacobs@leonardo.com.au
w:  www.leonardo.com.au

Anita Halse
Senior Consultant
Leonardo Consulting
t:  +61 (0)448 807 706
e:  a.halse@leonardo.com.au
w:  www.leonardo.com.au

Let's connect!
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BPM Consulting Services

- BPM Maturity assessment
- Process Improvement Projects
- Process Architecture development
- 7 Enablers Rollout
- Office of BPM development
- Executive BPM coaching
- Process practitioner coaching
- Process performance analysis
- Process governance design
- Process modeling management
- Process automation
- BPM capability development

New Process Utilisation
- Potential practices Derivation
- Better practices Enhancement
- Current practices Innovation
- New practices Analytical Creative